# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

NOVEMBER 1981

u 7475-2 (A)

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

# TABLES AND CHARTS

## NOVEMBER 1981

The November 1981 survey is the 158th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

ⓒ University of Michigan, 1981

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

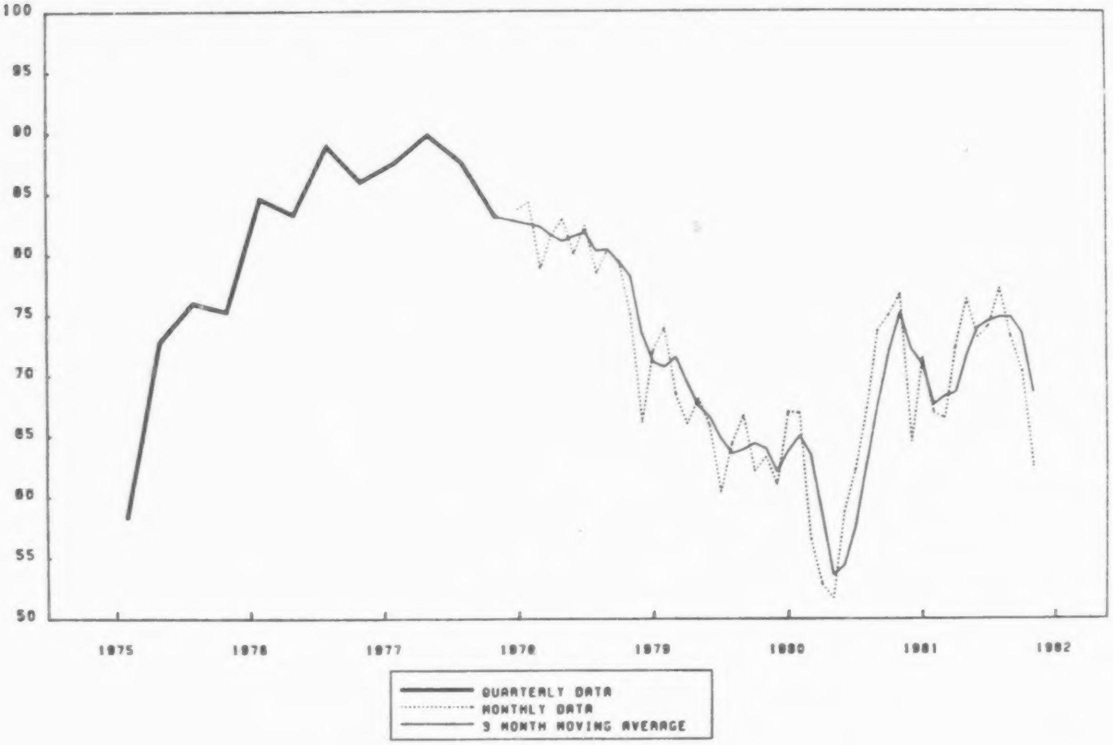
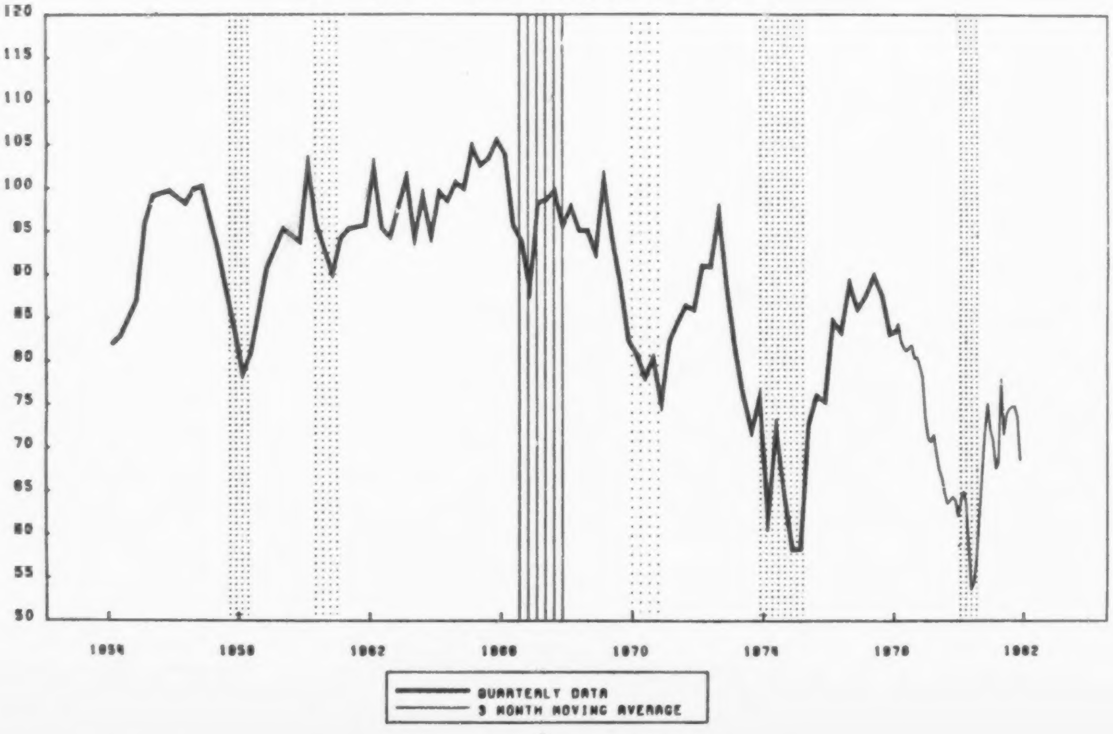


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

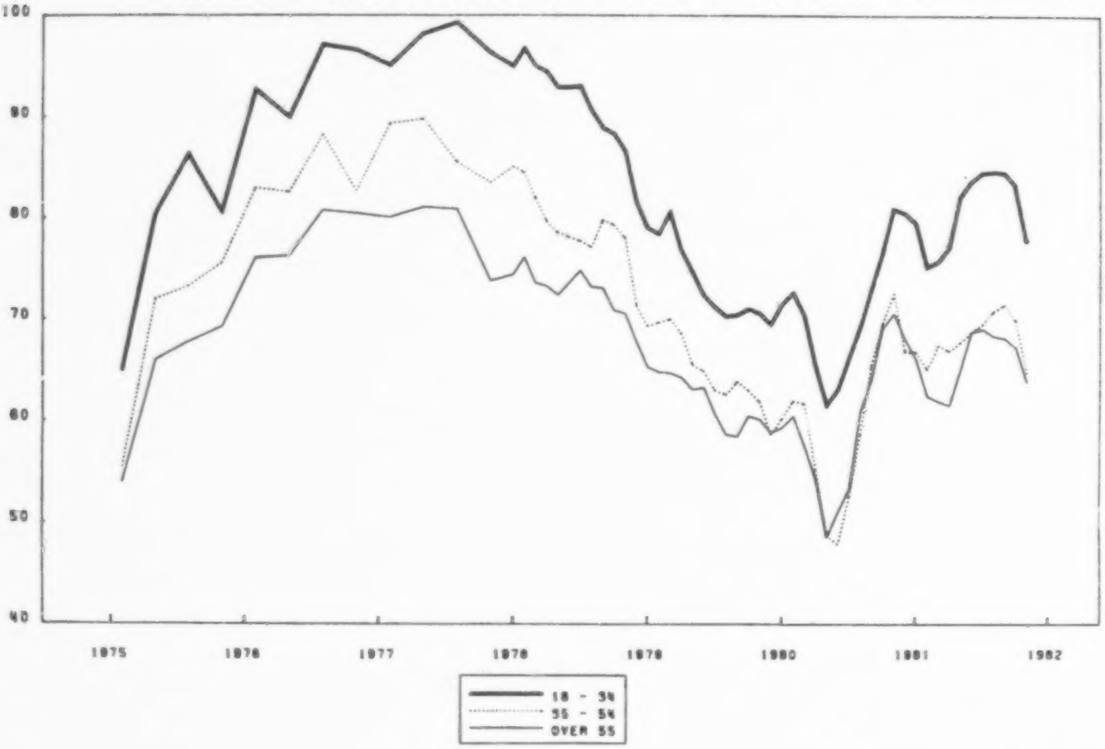


## TABLE 1

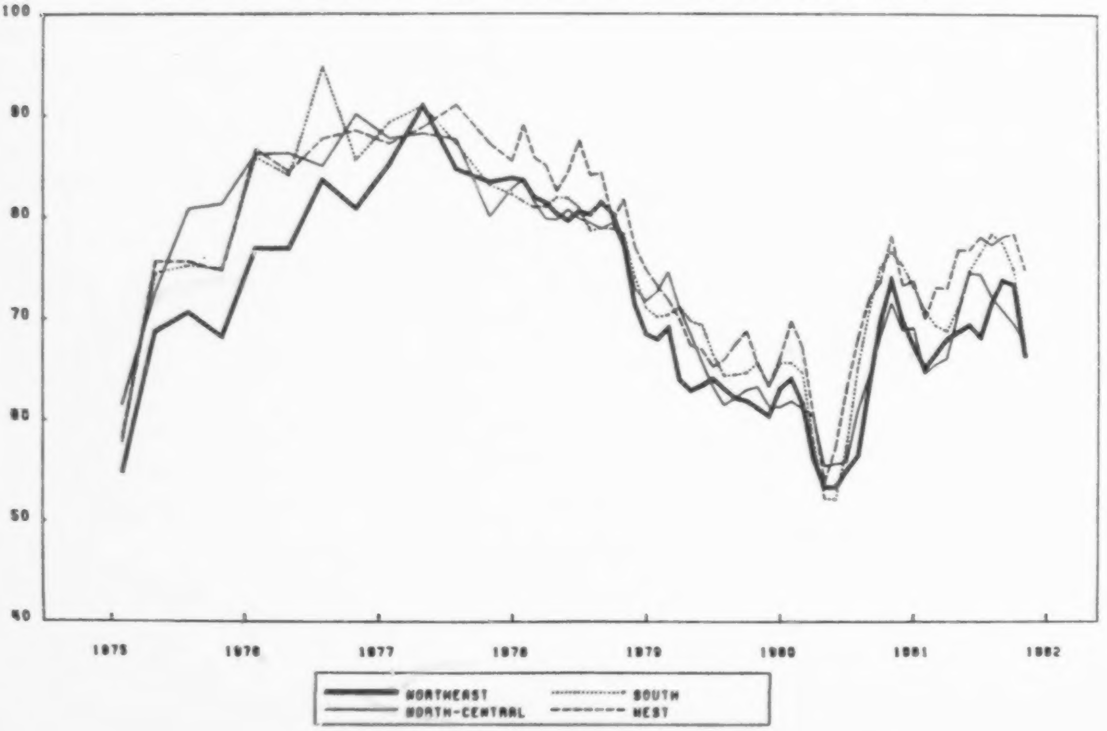
## THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|
| November 1978 | 75.0 | 81.0 | 83.0 |
| December 1978 | 66.1 | 73.8 | 76.8 |
| January 1979 | 72.1 | 83.7 | 84.8 |
| February 1979 | 73.9 | 84.3 | 86.6 |
| March 1979 | 68.4 | 75.3 | 73.6 |
| April 1979 | 66.0 | 73.7 | 77.0 |
| May 1979 | 68.1 | 73.5 | 76.7 |
| June 1979 | 65.8 | 71.8 | 72.9 |
| July 1979 | 60.4 | 67.2 | 68.0 |
| August 1979 | 64.5 | 70.0 | 71.3 |
| September 1979 | 66.7 | 71.6 | 74.4 |
| October 1979 | 62.1 | 65.6 | 65.5 |
| November 1979 | 63.3 | 68.3 | 69.9 |
| December 1979 | 61.0 | 66.2 | 73.2 |
| January 1980 | 67.0 | 70.8 | 70.9 |
| February 1980 | 66.9 | 70.8 | 73.5 |
| March 1980 | 56.5 | 62.3 | 64.5 |
| April 1980 | 52.7 | 54.2 | 57.2 |
| May 1980 | 51.7 | 55.2 | 53.3 |
| June 1980 | 58.7 | 61.6 | 63.7 |
| July 1980 | 62.3 | 67.6 | 67.3 |
| August 1980 | 67.3 | 70.9 | 74.2 |
| September 1980 | 73.7 | 78.1 | 78.5 |
| October 1980 | 75.0 | 76.3 | 78.7 |
| November 1980 | 76.7 | 82.7 | 87.5 |
| December 1980 | 64.5 | 66.9 | 68.6 |
| January 1981 | 71.4 | 74.8 | 77.1 |
| February 1981 | 66.9 | 74.2 | 77.5 |
| March 1981 | 66.5 | 72.1 | 73.7 |
| April 1981 | 72.4 | 77.1 | 78.0 |
| May 1981 | 76.3 | 80.8 | 85.0 |
| June 1981 | 73.1 | 81.2 | 82.9 |
| July 1981 | 74.1 | 80.8 | 82.1 |
| August 1981 | 77.2 | 82.7 | 85.0 |
| September 1981 | 73.1 | 75.2 | 73.3 |
| October 1981 | 70.3 | 74.5 | 77.9 |
| November 1981 | 62.5 | 67.2 | 66.3 |

## CHART 2A
## INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS



## CHART 2B
## INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS



## TABLE 2

## INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|
| DATE OF SURVEY | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| November 1978 | 69.6 | 73.1 | 76.1 | 82.4 | 82.5 | 73.3 | 69.0 |
| December 1978 | 62.1 | 65.6 | 67.5 | 71.4 | 71.7 | 63.9 | 63.6 |
| January 1979 | 73.5 | 76.4 | 69.3 | 70.6 | 82.7 | 70.6 | 63.2 |
| February 1979 | 68.0 | 75.8 | 73.5 | 77.5 | 80.9 | 74.6 | 67.7 |
| March 1979 | 65.5 | 71.3 | 68.0 | 67.4 | 77.9 | 64.7 | 63.3 |
| April 1979 | 58.1 | 65.6 | 71.9 | 64.8 | 71.5 | 66.4 | 61.8 |
| May 1979 | 64.9 | 68.2 | 69.1 | 69.6 | 74.6 | 65.3 | 64.1 |
| June 1979 | 66.8 | 63.3 | 66.8 | 66.3 | 71.2 | 62.9 | 63.9 |
| July 1979 | 60.4 | 58.0 | 63.3 | 59.7 | 67.7 | 60.9 | 54.1 |
| August 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

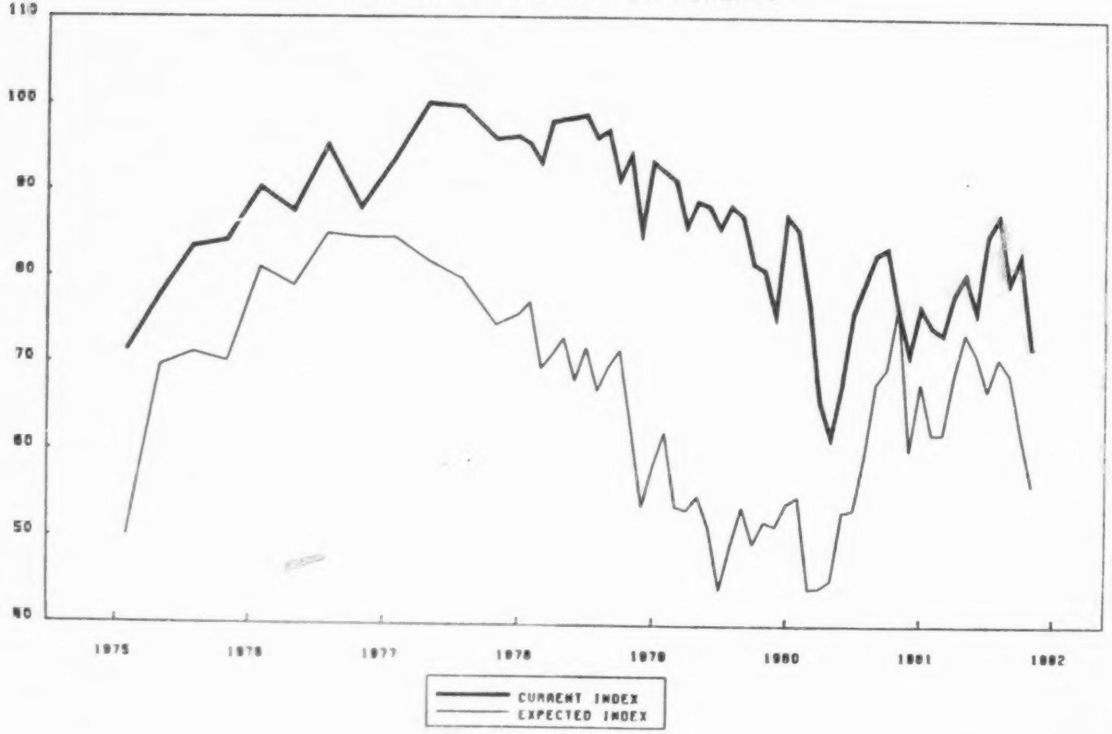
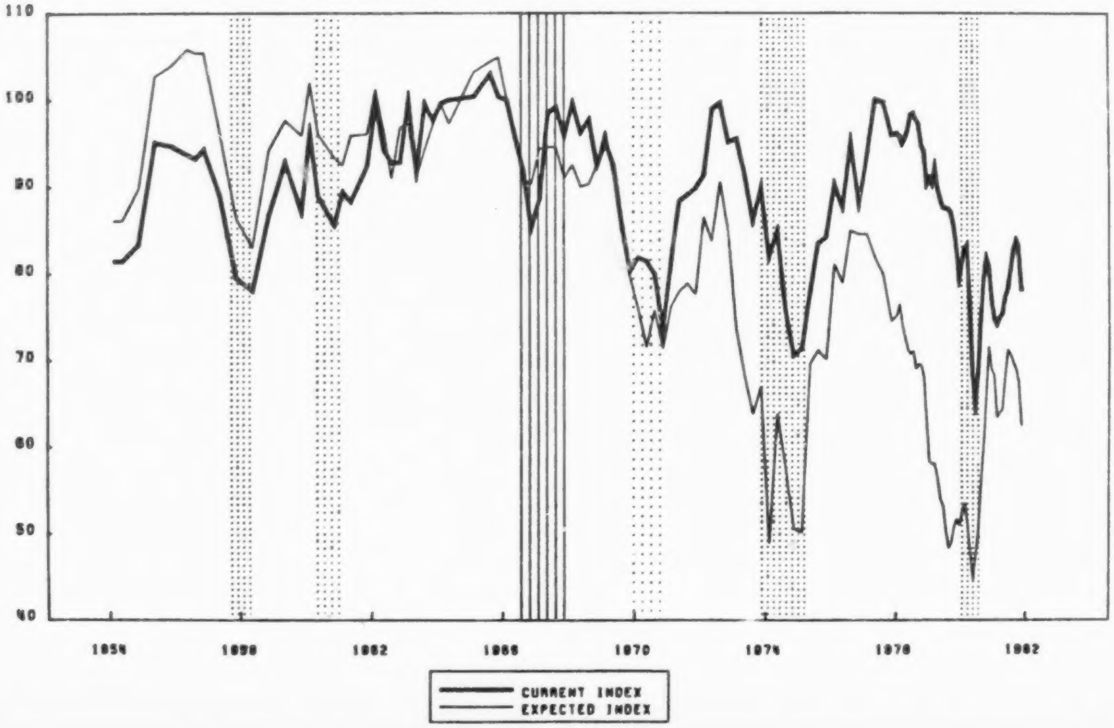


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



## TABLE 3

## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | | | |
| | Current | Expected | 12 months | 5 years | Buying conds. | Current Index | Expected Index |
| DATE OF SURVEY | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| November 1978 | 106 | 106 | 74 | 67 | 135 | 94.1 | 62.8 |
| December 1978 | 95 | 96 | 61 | 53 | 123 | 85.2 | 53.8 |
| January 1979 | 101 | 99 | 72 | 58 | 139 | 93.3 | 58.4 |
| February 1979 | 98 | 98 | 75 | 71 | 138 | 92.2 | 62.2 |
| March 1979 | 96 | 99 | 57 | 53 | 138 | 91.2 | 53.7 |
| April 1979 | 85 | 90 | 63 | 55 | 134 | 85.9 | 53.3 |
| May 1979 | 91 | 95 | 58 | 62 | 136 | 88.7 | 54.9 |
| June 1979 | 92 | 91 | 54 | 55 | 134 | 88.2 | 51.4 |
| July 1979 | 90 | 92 | 39 | 40 | 130 | 85.7 | 44.2 |
| August 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

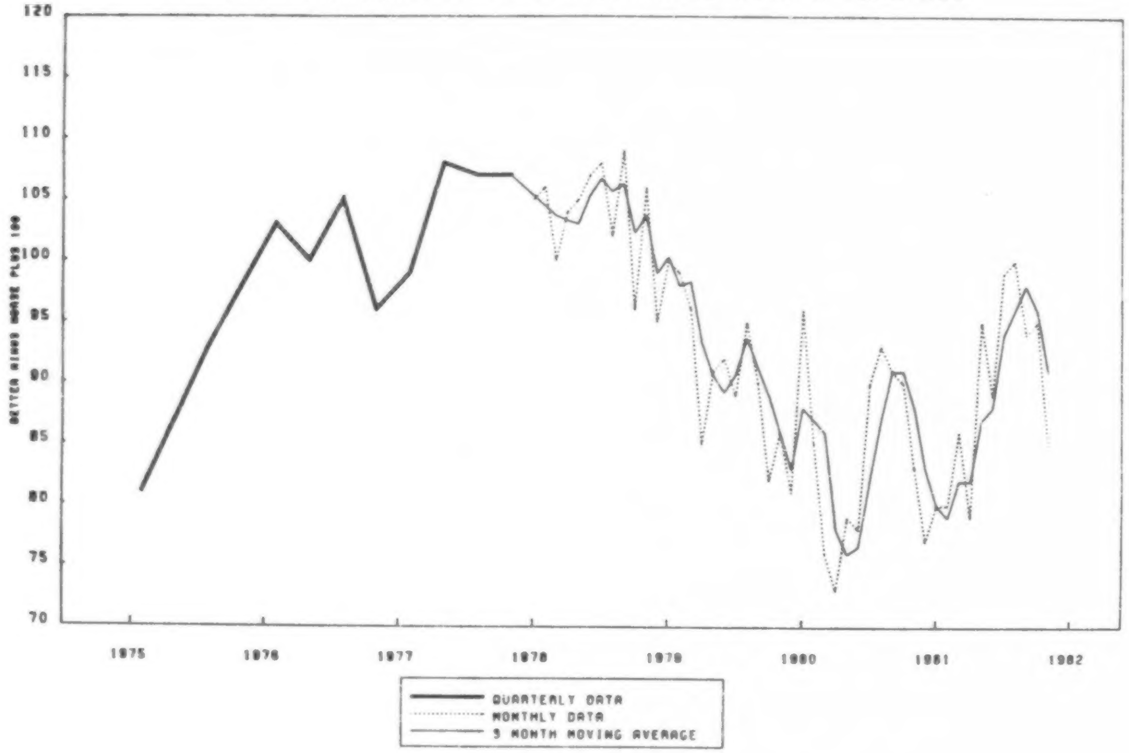
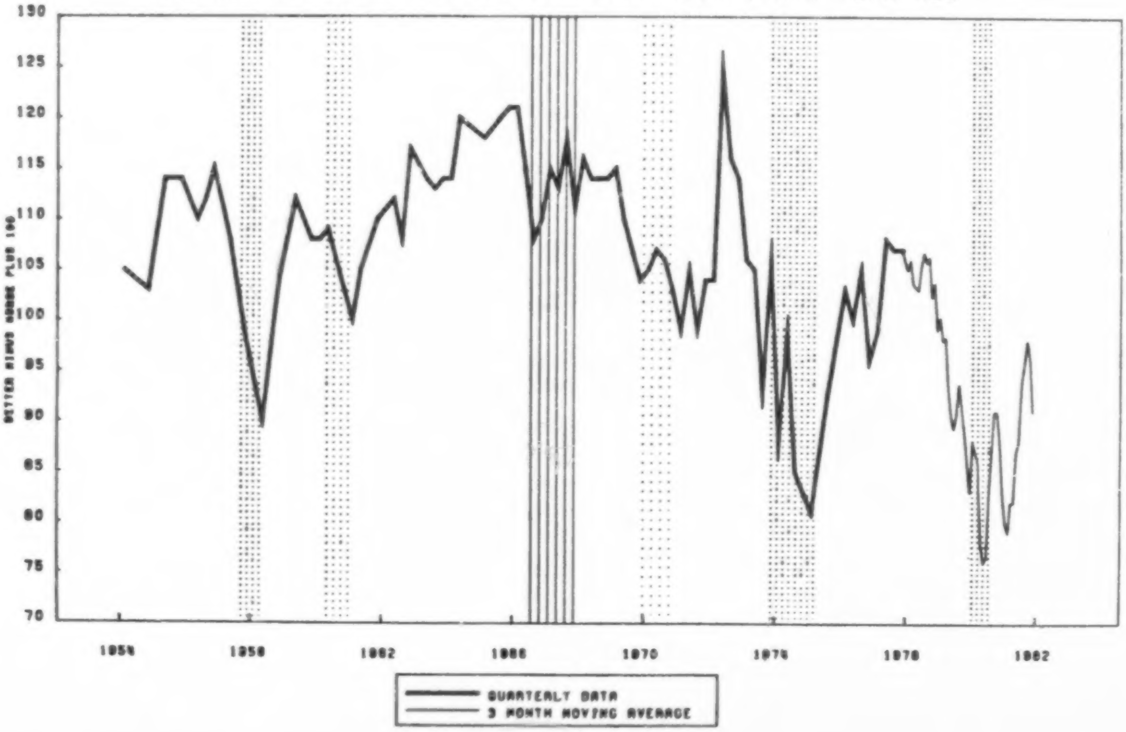


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 28% | 25% | 25% | 27% | 29% | 25% | 31% | 29% | 34% | 33% | 32% | 31% | 29% |
| SAME | 26 | 26 | 30 | 26 | 28 | 28 | 32 | 31 | 30 | 33 | 29 | 32 | 27 |
| WORSE OFF | 45 | 48 | 45 | 47 | 43 | 46 | 36 | 40 | 35 | 33 | 38 | 36 | 44 |
| DK,NA | 1 | 1 | * | * | * | 1 | 1 | * | 1 | 1 | 1 | 1 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

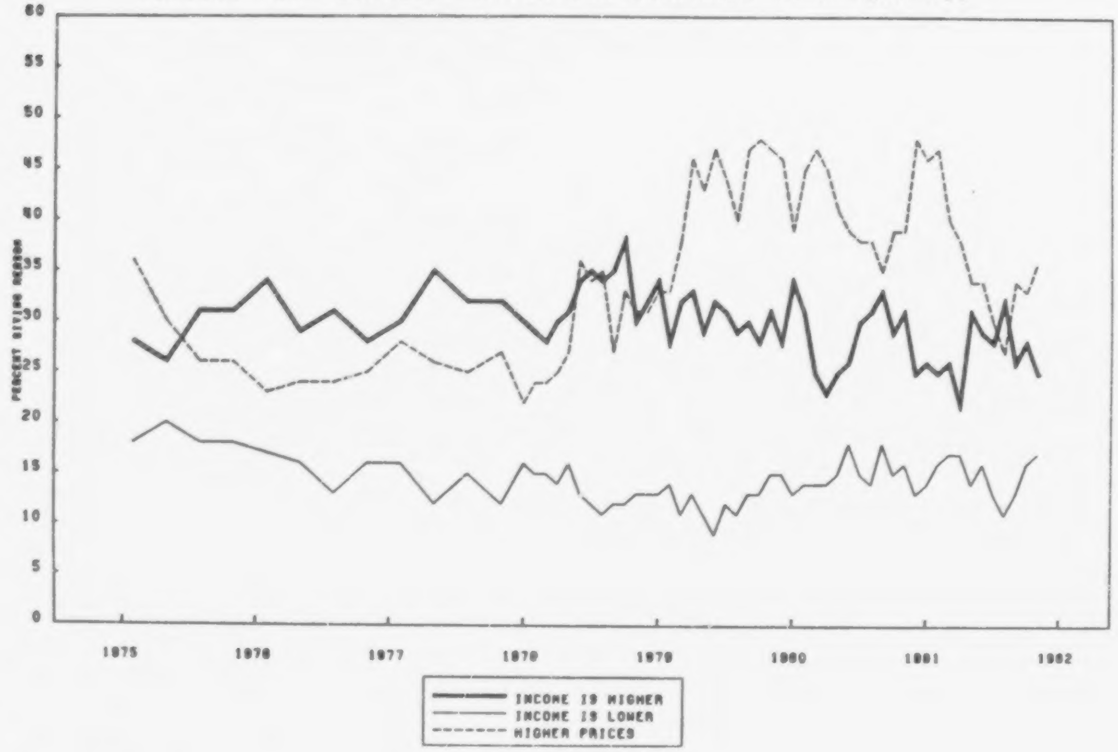
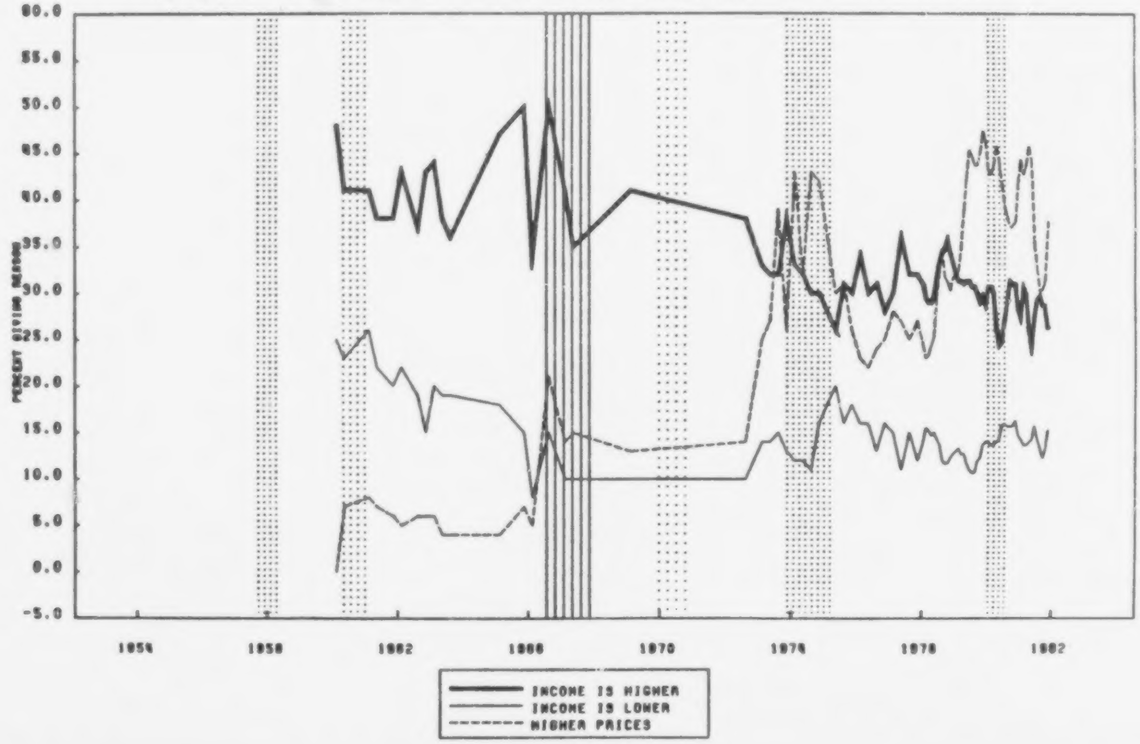


CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 31% | 25% | 26% | 25% | 26% | 22% | 31% | 29% | 28% | 32% | 26% | 28% | 25% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 16 | 13 | 14 | 16 | 17 | 17 | 14 | 16 | 13 | 11 | 13 | 16 | 17 |
| Higher prices | 39 | 48 | 46 | 47 | 40 | 38 | 34 | 34 | 30 | 27 | 34 | 33 | 36 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

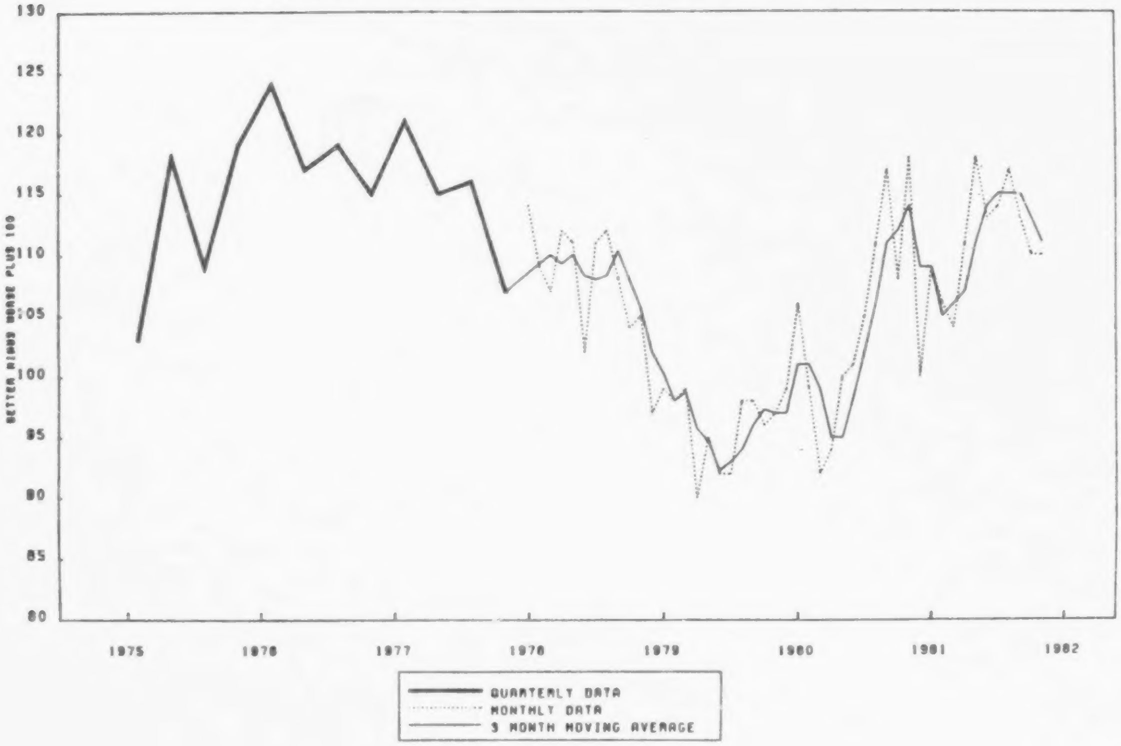
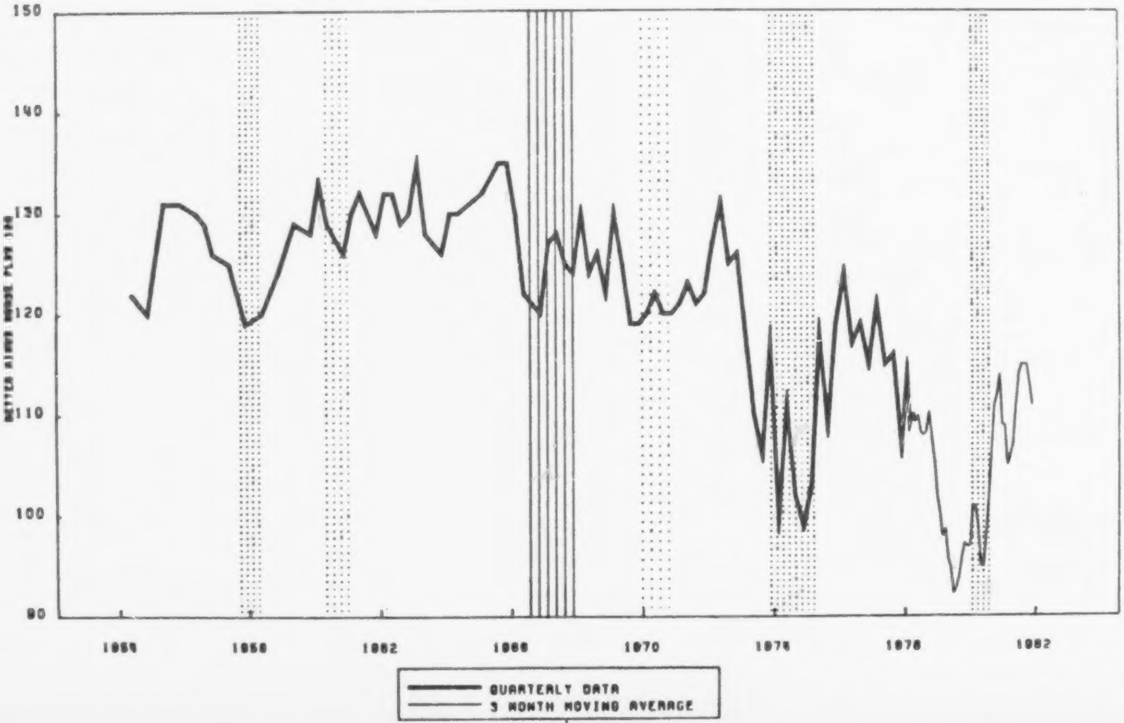


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION



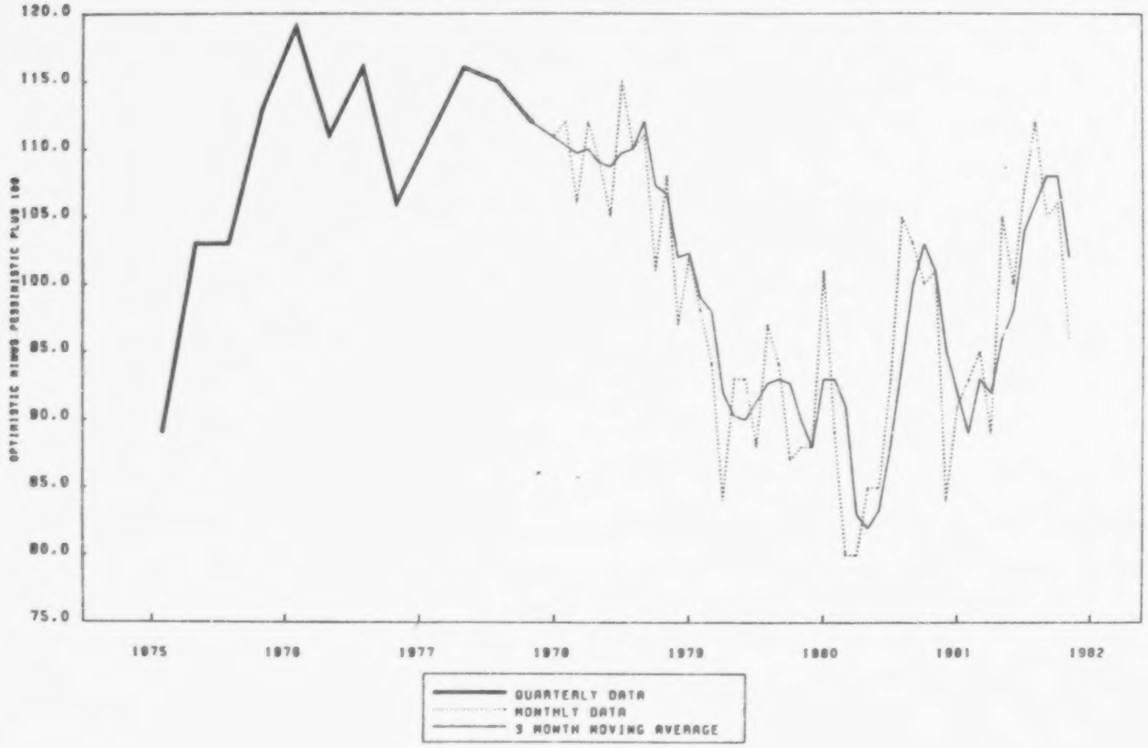
## TABLE 6

## EXPECTED CHANGE IN FINANCIAL SITUATION

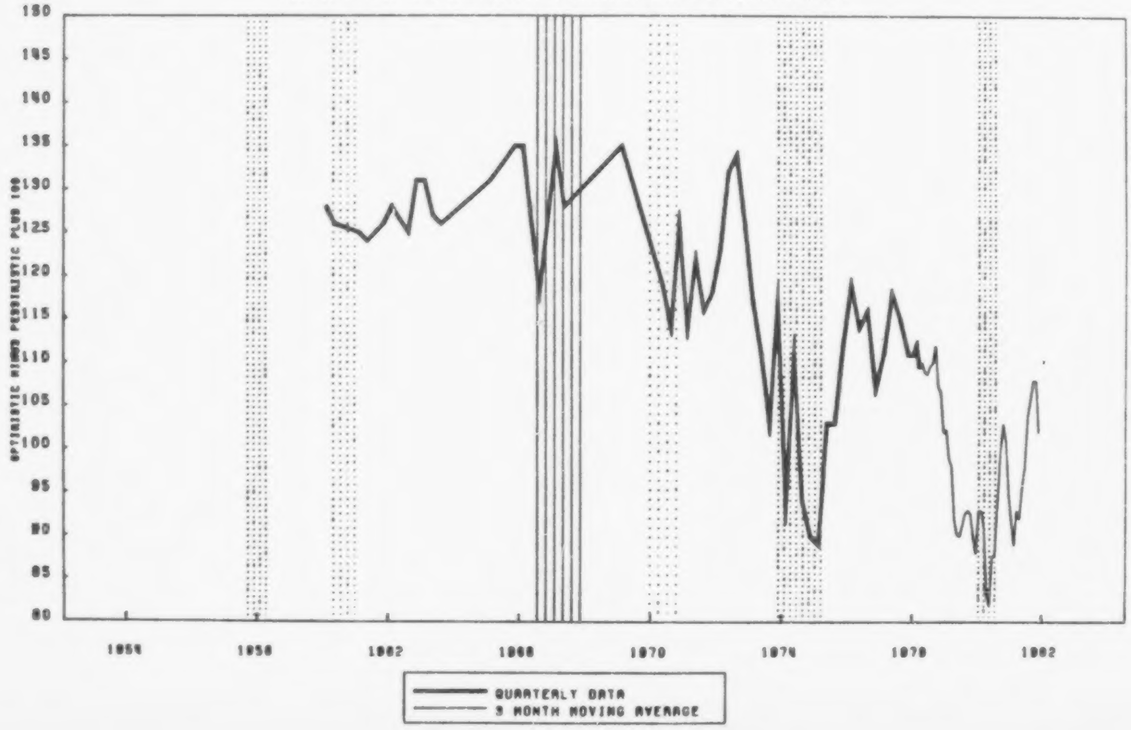
| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 35% | 25% | 27% | 26% | 28% | 30% | 34% | 32% | 29% | 34% | 31% | 29% | 30% |
| SAME | 42 | 45 | 48 | 48 | 45 | 47 | 48 | 44 | 52 | 46 | 45 | 49 | 46 |
| WORSE OFF | 17 | 25 | 18 | 20 | 24 | 19 | 16 | 19 | 15 | 17 | 18 | 19 | 20 |
| DK,NA | 6 | 5 | 7 | 6 | 3 | 4 | 2 | 5 | 4 | 3 | 6 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

## CHART 7 - RECENT CHANGES
## TREND IN PERSONAL FINANCIAL SITUATION



## CHART 7 - HISTORICAL SERIES
## TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

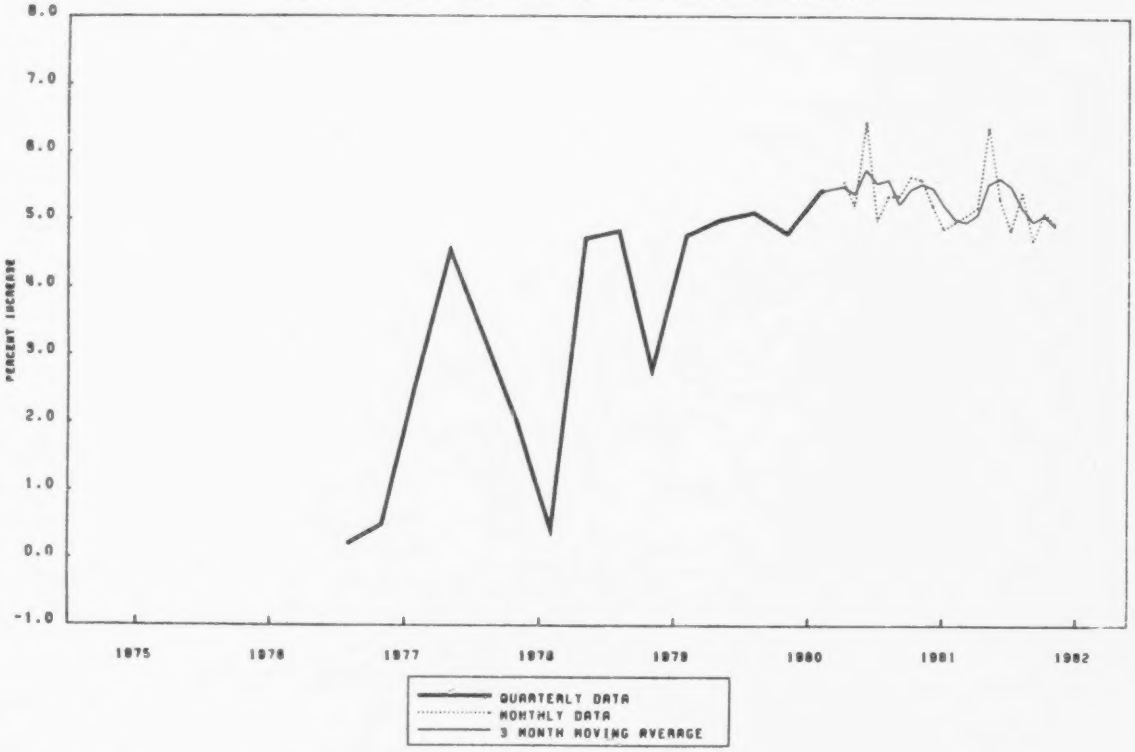
## TREND IN PERSONAL FINANCIAL SITUATION

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 13% | 9% | 10% | 8% | 12% | 11% | 15% | 13% | 15% | 14% | 16% | 13% | 13% |
| Intermittent increase (b) | 19 | 18 | 17 | 20 | 19 | 16 | 23 | 22 | 22 | 25 | 19 | 21 | 19 |
| Remain unchanged (c) | 13 | 12 | 16 | 15 | 15 | 14 | 15 | 14 | 19 | 18 | 17 | 21 | 14 |
| Intermittent decline (d) | 22 | 28 | 25 | 23 | 22 | 27 | 25 | 24 | 21 | 18 | 19 | 15 | 23 |
| Continuous decline (e) | 9 | 15 | 11 | 12 | 14 | 11 | 8 | 11 | 9 | 9 | 11 | 13 | 13 |
| Mixed change (f) | 18 | 13 | 14 | 16 | 14 | 15 | 12 | 11 | 9 | 12 | 12 | 14 | 14 |
| DK,NA | 6 | 5 | 7 | 6 | 4 | 6 | 2 | 5 | 5 | 4 | 6 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME



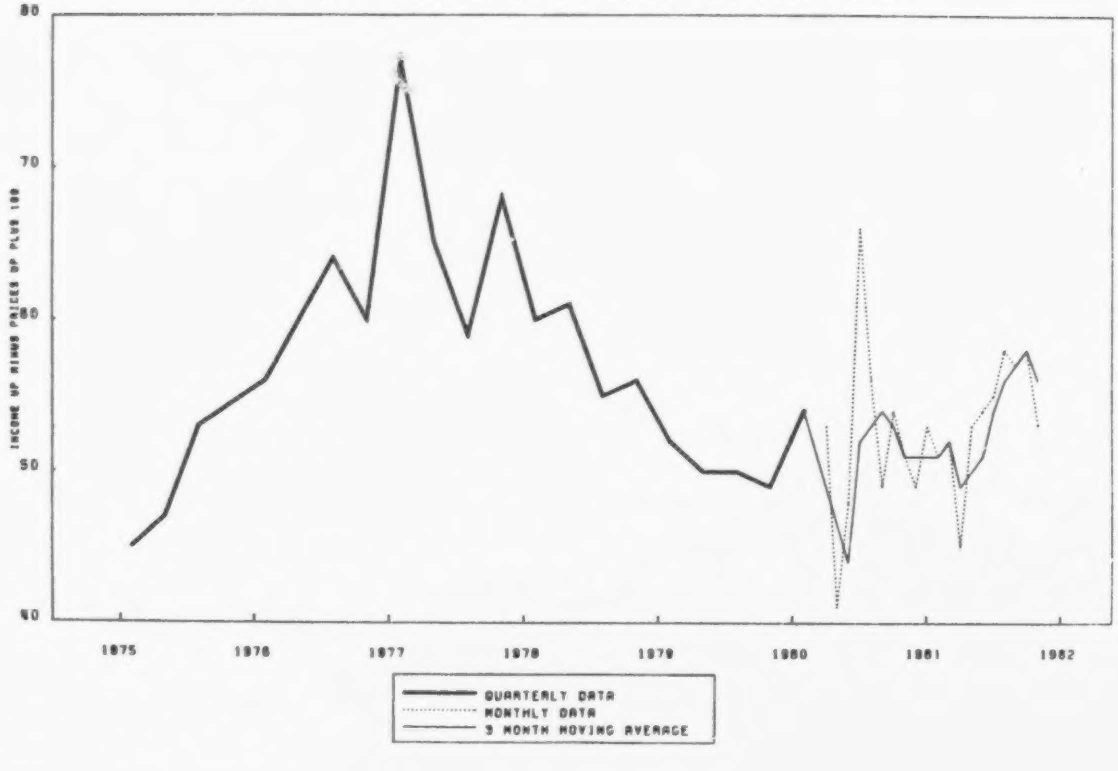
## TABLE 8

## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 5% | 8% | 6% | 8% | 7% | 6% | 6% | 6% | 7% | 5% | 6% | 6% | 5% |
| 5% | 10 | 7 | 8 | 7 | 9 | 8 | 10 | 10 | 7 | 8 | 9 | 10 | 9 |
| 6-9% | 10 | 12 | 10 | 10 | 11 | 11 | 11 | 10 | 10 | 9 | 10 | 13 | 8 |
| 10-24% | 26 | 22 | 21 | 20 | 21 | 22 | 28 | 25 | 21 | 27 | 23 | 21 | 23 |
| 25% or more | 7 | 7 | 6 | 7 | 7 | 7 | 8 | 7 | 10 | 6 | 6 | 6 | 8 |
| DK how much up | 8 | 8 | 9 | 9 | 9 | 9 | 7 | 7 | 5 | 6 | 6 | 6 | 4 |
| EXPECT SAME | 24 | 22 | 24 | 24 | 21 | 25 | 19 | 21 | 24 | 26 | 27 | 24 | 25 |
| EXPECT DOWN | 7 | 11 | 12 | 11 | 12 | 10 | 8 | 11 | 13 | 9 | 12 | 12 | 15 |
| DK,NA | 3 | 3 | 4 | 4 | 3 | 2 | 3 | 3 | 3 | 4 | 1 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR



## TABLE 9

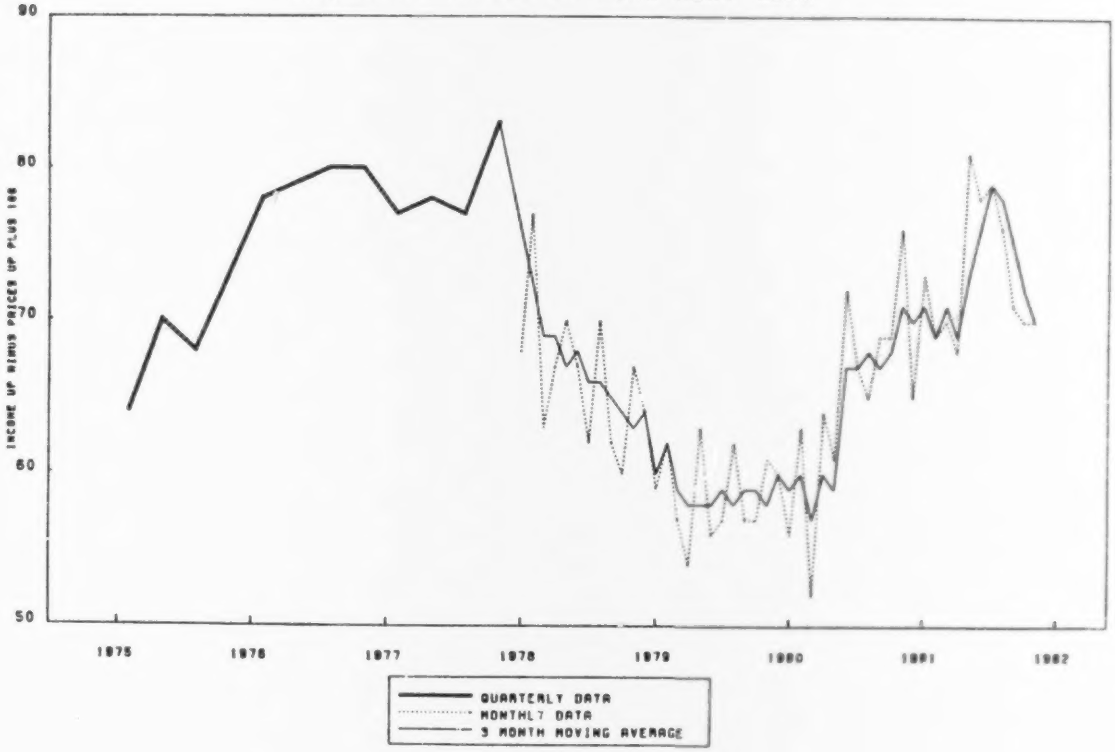
## PAST CHANGE IN REAL FAMILY INCOME

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 10% | 11% | 13% | 10% | 13% | 9% | 12% | 13% | 13% | 14% | 13% | 13% | 12% |
| INCOME UP SAME | 30 | 24 | 25 | 28 | 24 | 26 | 28 | 26 | 25 | 29 | 31 | 30 | 27 |
| PRICES UP MORE | 59 | 62 | 60 | 59 | 61 | 64 | 59 | 59 | 58 | 56 | 56 | 55 | 59 |
| DK,NA | 1 | 3 | 2 | 3 | 2 | 1 | 1 | 2 | 4 | 1 | * | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



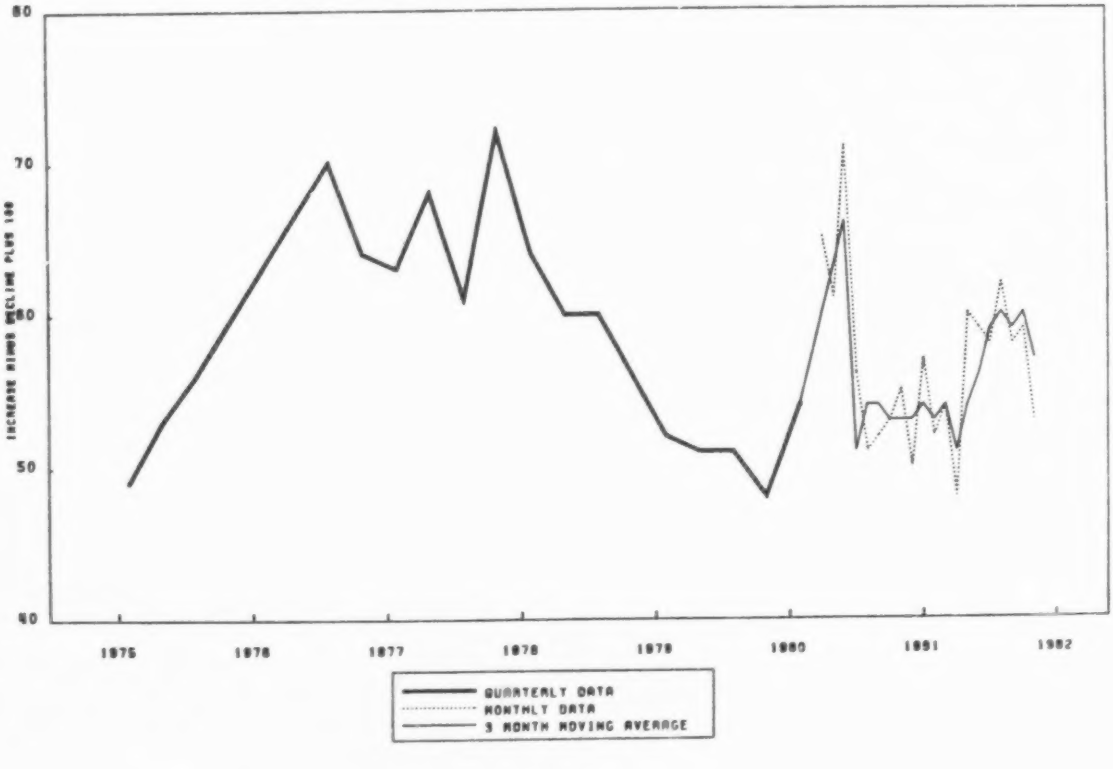
## TABLE 10

## EXPECTED CHANGE IN REAL FAMILY INCOME

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 16% | 12% | 14% | 11% | 14% | 13% | 19% | 16% | 17% | 16% | 13% | 14% | 13% |
| INCOME UP SAME | 42 | 36 | 39 | 43 | 38 | 39 | 41 | 43 | 41 | 40 | 42 | 40 | 41 |
| PRICES UP MORE | 40 | 47 | 41 | 42 | 44 | 45 | 38 | 38 | 38 | 40 | 42 | 44 | 43 |
| DK,NA | 2 | 5 | 6 | 4 | 4 | 3 | 2 | 3 | 4 | 4 | 3 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 6% | 5% | 6% | 4% | 6% | 4% | 6% | 6% | 8% | 7% | 5% | 5% | 5% |
| Intermittent increase (b) | 9 | 7 | 8 | 8 | 9 | 7 | 10 | 10 | 7 | 8 | 11 | 10 | 8 |
| Remain unchanged (c) | 17 | 14 | 17 | 18 | 14 | 17 | 16 | 17 | 16 | 20 | 19 | 18 | 17 |
| Intermittent decline (d) | 27 | 24 | 22 | 25 | 26 | 25 | 25 | 25 | 25 | 21 | 24 | 21 | 26 |
| Continuous decline (e) | 33 | 38 | 35 | 35 | 35 | 38 | 31 | 32 | 32 | 32 | 34 | 35 | 34 |
| Mixed change (f) | 5 | 6 | 6 | 5 | 5 | 6 | 9 | 6 | 7 | 8 | 4 | 8 | 6 |
| DK,NA | 3 | 6 | 6 | 5 | 5 | 3 | 3 | 4 | 5 | 4 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

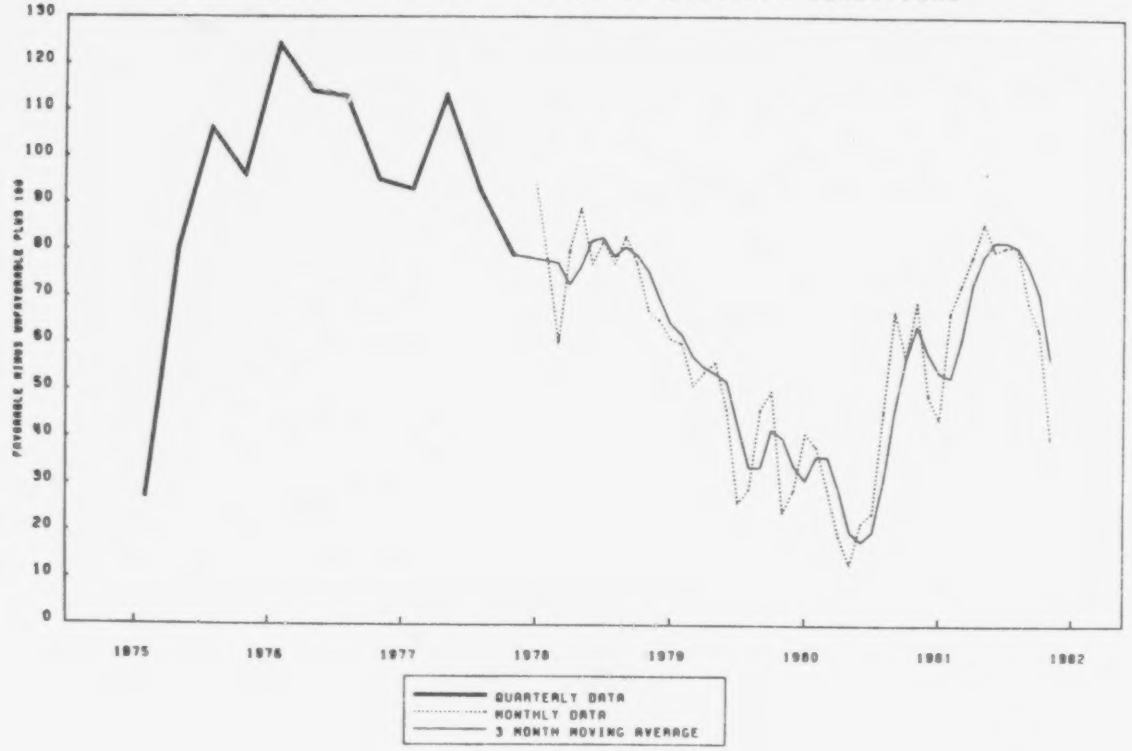


CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

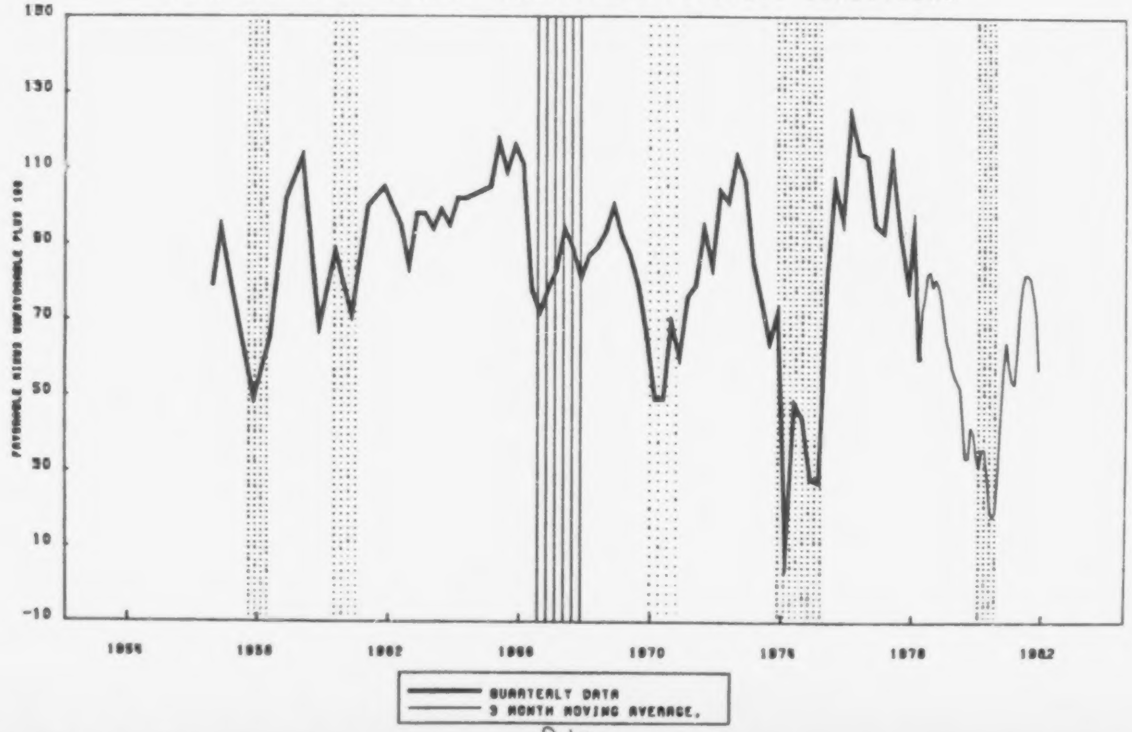


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 27% | 17% | 19% | 23% | 30% | 28% | 31% | 24% | 27% | 28% | 24% | 22% | 14% |
| UNFAVORABLE NEWS | 58 | 68 | 75 | 56 | 57 | 49 | 45 | 44 | 46 | 47 | 55 | 59 | 74 |
| NO MENTIONS | 47 | 44 | 39 | 46 | 42 | 47 | 47 | 52 | 51 | 48 | 47 | 45 | 43 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

## TABLE 13

### SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 7% | 4% | 4% | 9% | 9% | 6% | 4% | 6% | 4% | 7% | 8% | 5% | 3% |
| Employment | 7 | 5 | 4 | 5 | 8 | 7 | 8 | 4 | 7 | 8 | 6 | 4 | 2 |
| Consumer demand high | 2 | 1 | 2 | 1 | 1 | 3 | 4 | 1 | 3 | 2 | 1 | 1 | 1 |
| Prices are low | 1 | * | * | 1 | 1 | 2 | 2 | 3 | 4 | 2 | * | 1 | * |
| Credit is easy | 1 | * | 3 | 3 | 4 | 5 | 2 | 2 | 2 | 2 | 2 | 3 | 4 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 3 | 2 | 4 | 5 | 7 | 7 | 4 | 4 | 5 | 6 | 5 | 5 | 3 |
| Unemployment | 21 | 18 | 19 | 15 | 19 | 19 | 14 | 16 | 16 | 17 | 19 | 20 | 28 |
| Consumer demand low | 8 | 11 | 14 | 9 | 10 | 6 | 6 | 3 | 4 | 5 | 3 | 6 | 10 |
| Prices are high | 9 | 8 | 11 | 10 | 6 | 6 | 4 | 5 | 5 | 3 | 5 | 3 | 7 |
| Credit is tight | 9 | 19 | 14 | 7 | 4 | 4 | 7 | 9 | 7 | 7 | 10 | 10 | 11 |
| Energy crisis | * | 1 | 1 | * | 1 | * | * | * | * | 1 | 1 | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

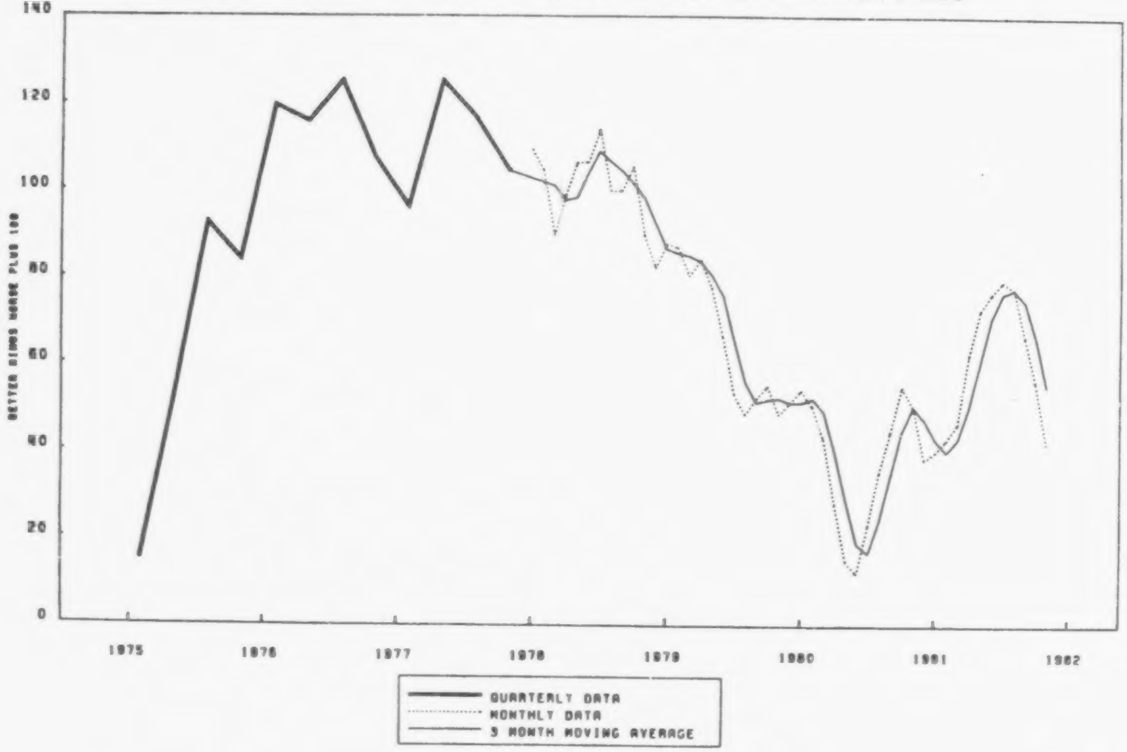
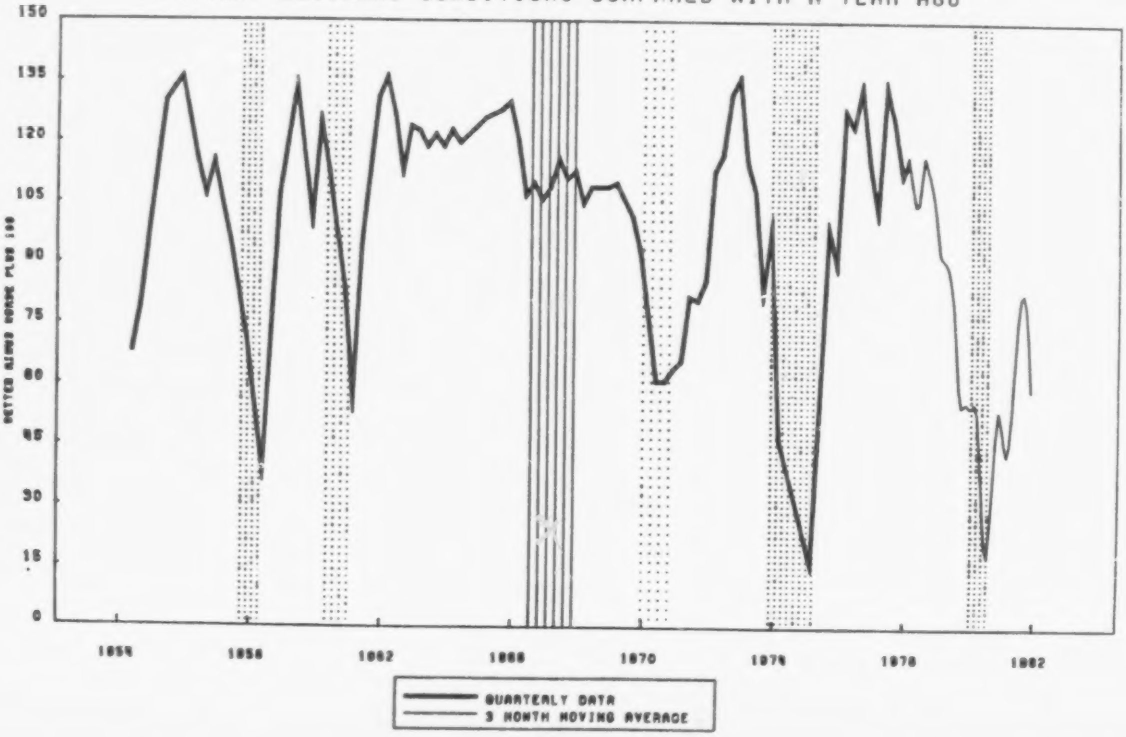


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



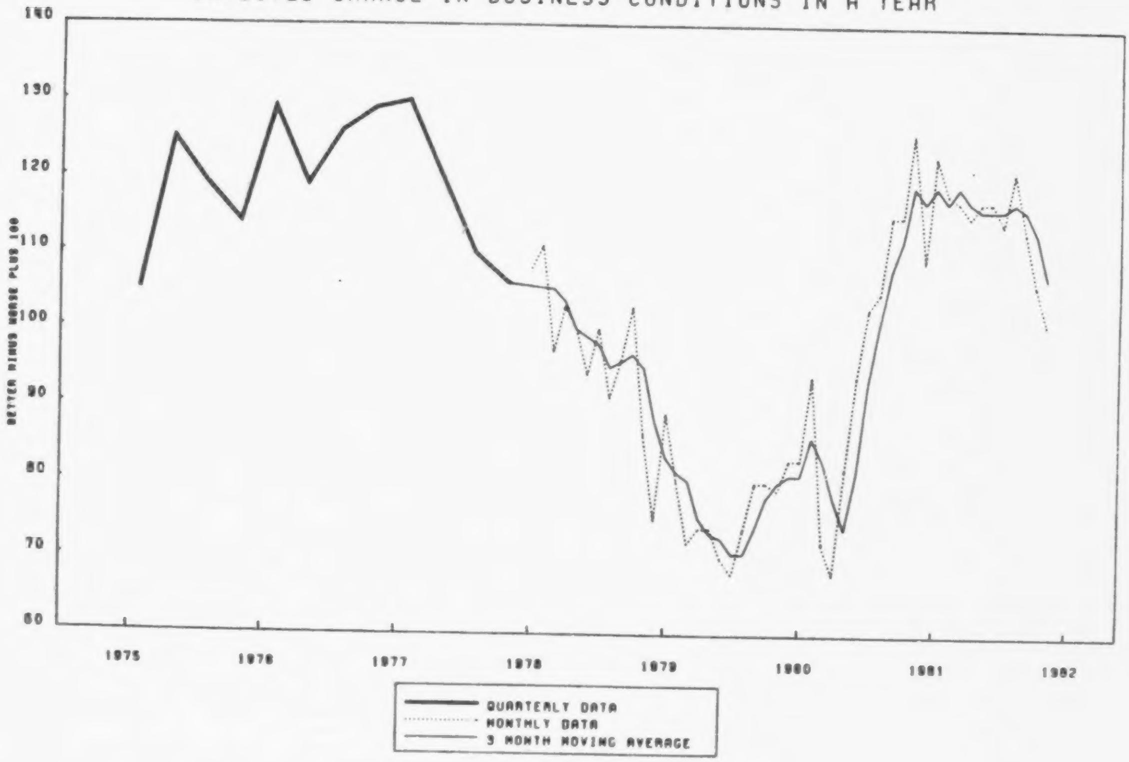
## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

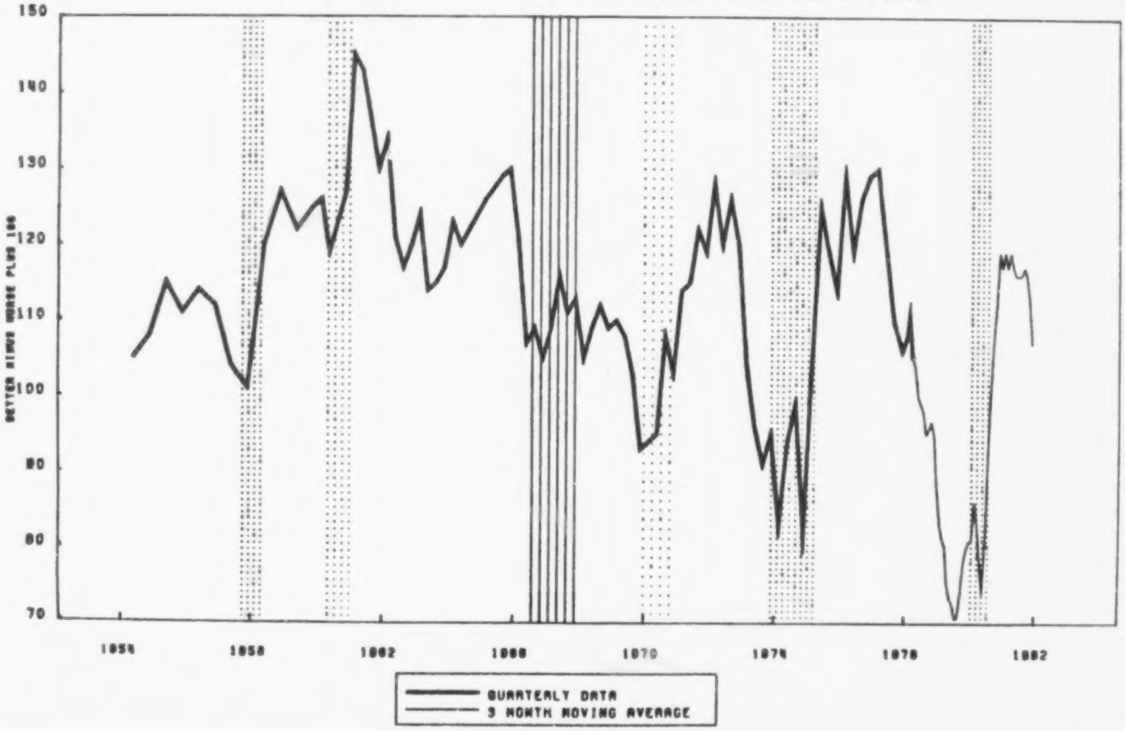
| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 21% | 13% | 14% | 14% | 17% | 24% | 30% | 31% | 32% | 33% | 28% | 23% | 15% |
| SAME | 10 | 12 | 13 | 15 | 14 | 17 | 17 | 18 | 18 | 15 | 12 | 12 | 12 |
| WORSE NOW | 67 | 72 | 71 | 68 | 67 | 57 | 52 | 49 | 47 | 50 | 57 | 63 | 70 |
| DK,NA | 2 | 3 | 2 | 3 | 2 | 2 | 1 | 2 | 3 | 2 | 3 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

## CHART 15 - RECENT CHANGES
## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## CHART 15 - HISTORICAL SERIES
## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 40% | 29% | 39% | 34% | 38% | 36% | 36% | 36% | 34% | 38% | 32% | 31% | 27% |
| SAME | 42 | 46 | 42 | 46 | 38 | 41 | 44 | 42 | 44 | 43 | 45 | 41 | 44 |
| WORSE | 14 | 20 | 16 | 16 | 21 | 21 | 19 | 19 | 20 | 17 | 19 | 25 | 26 |
| DK,NA | 4 | 5 | 3 | 4 | 3 | 2 | 1 | 3 | 2 | 2 | 4 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

## TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 34% | 27% | 35% | 32% | 32% | 31% | 25% | 25% | 21% | 29% | 24% | 19% | 15% |
| Employment | 5 | 3 | 4 | 2 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 6 | 3 |
| Higher consumer demand | 3 | 2 | 2 | 3 | 2 | 2 | 2 | 3 | 2 | 3 | 4 | 2 | 2 |
| Lower prices | 2 | 3 | 2 | 2 | 3 | 2 | 3 | 2 | 4 | 3 | 2 | 1 | 1 |
| Easier credit | 3 | 2 | 4 | 2 | 2 | 2 | 3 | 4 | 3 | 4 | 4 | 6 | 7 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 7 | 8 | 7 | 7 | 9 | 8 | 8 | 12 | 11 | 12 | 11 | 15 | 10 |
| Unemployment | 5 | 8 | 7 | 6 | 6 | 6 | 5 | 8 | 9 | 6 | 7 | 7 | 12 |
| Lower consumer demand | 2 | 6 | 5 | 4 | 4 | 5 | 4 | 4 | 5 | 3 | 6 | 4 | 6 |
| Higher prices | 8 | 10 | 8 | 12 | 8 | 10 | 6 | 8 | 7 | 4 | 9 | 7 | 8 |
| Tighter credit | 2 | 7 | 4 | 2 | 2 | 2 | 3 | 3 | 5 | 6 | 8 | 5 | 5 |
| Energy crisis | 1 | * | 1 | 1 | 1 | * | * | 1 | * | * | * | 1 | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

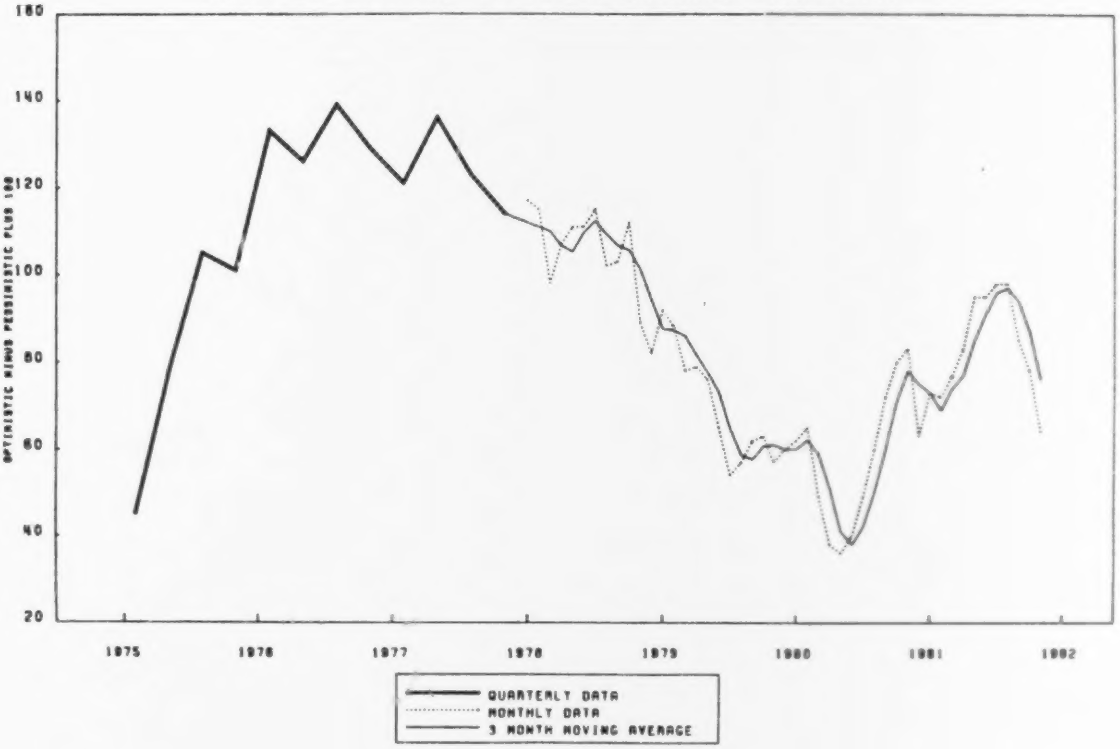
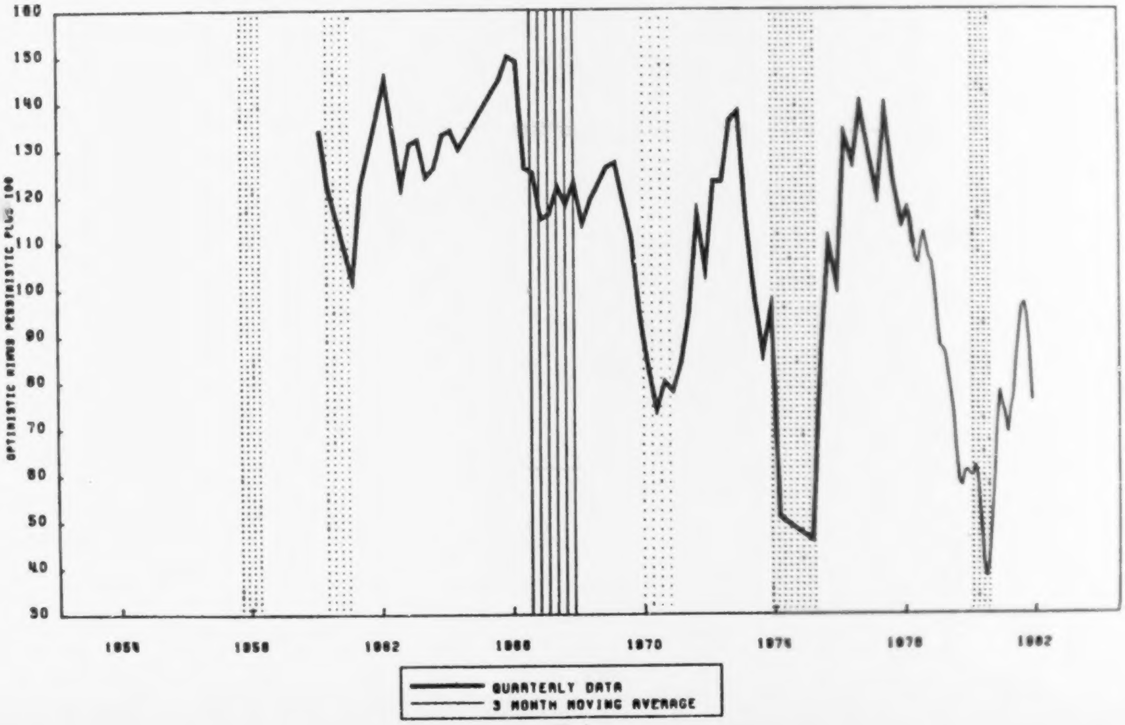


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## TABLE 17

## TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 11% | 5% | 6% | 7% | 9% | 15% | 14% | 19% | 15% | 18% | 14% | 12% | 6% |
| Intermittent increase (b) | 14 | 10 | 11 | 12 | 12 | 13 | 17 | 16 | 21 | 17 | 16 | 14 | 11 |
| Remain unchanged (c) | 4 | 5 | 7 | 7 | 6 | 8 | 10 | 8 | 8 | 7 | 6 | 4 | 6 |
| Intermittent decline (d) | 29 | 36 | 30 | 33 | 27 | 29 | 24 | 25 | 24 | 25 | 29 | 27 | 31 |
| Continuous decline (e) | 13 | 16 | 14 | 14 | 17 | 16 | 12 | 15 | 14 | 12 | 16 | 21 | 22 |
| Mixed change (f) | 24 | 21 | 27 | 21 | 25 | 16 | 20 | 12 | 13 | 18 | 14 | 17 | 18 |
| DK,NA | 5 | 7 | 5 | 6 | 4 | 3 | 3 | 5 | 5 | 3 | 5 | 5 | 6 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

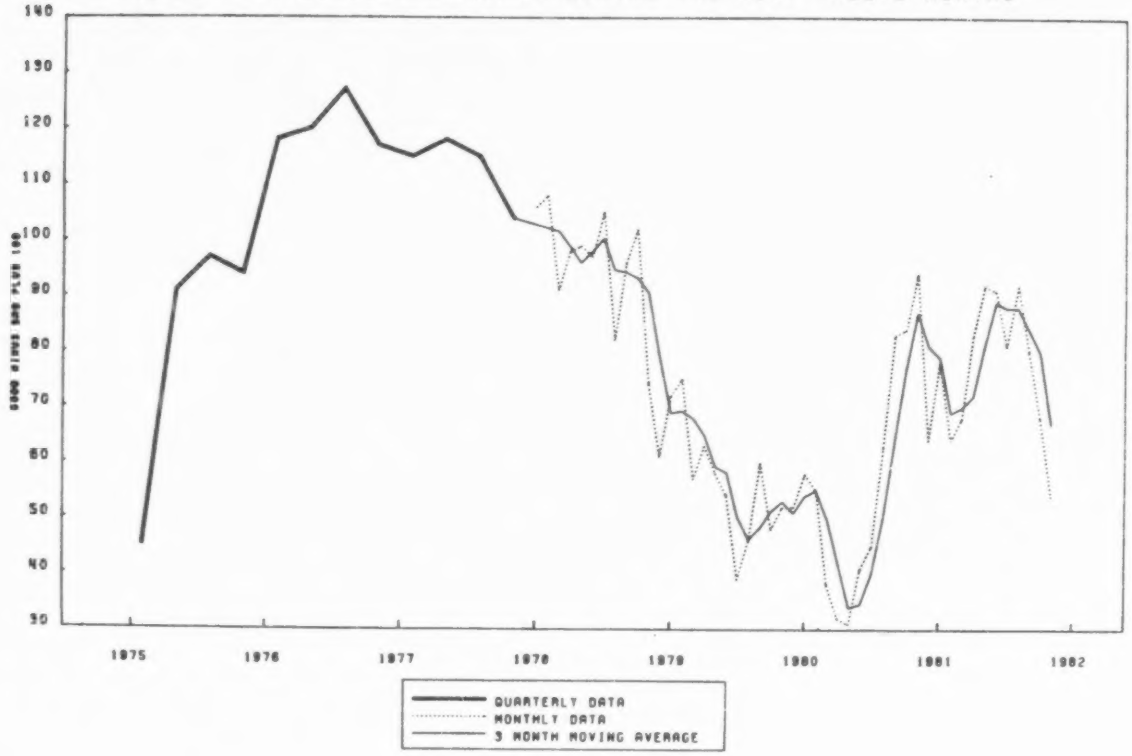
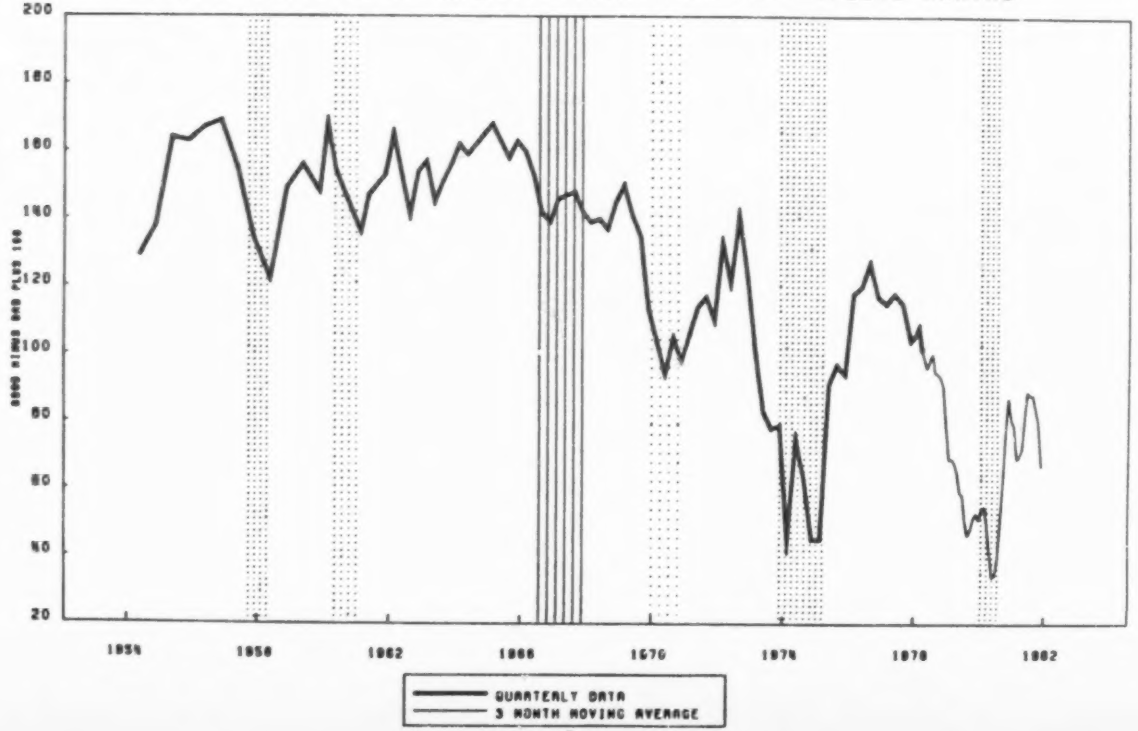


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



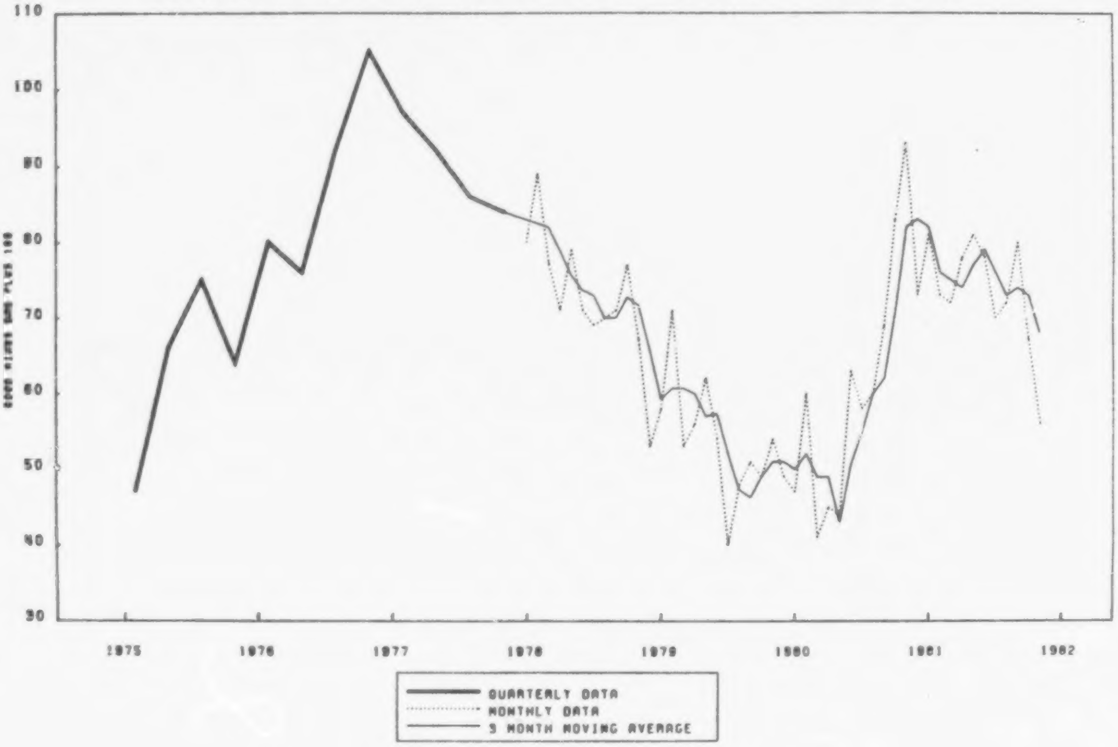
## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

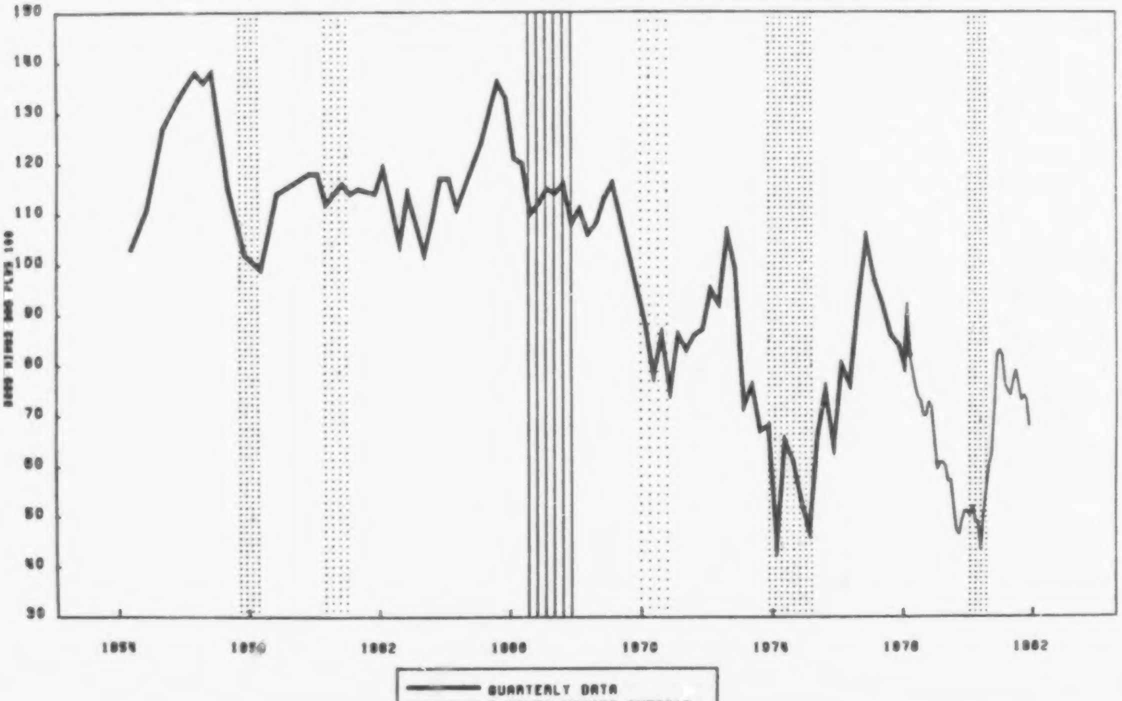
| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 39% | 26% | 31% | 26% | 27% | 36% | 41% | 41% | 35% | 40% | 33% | 25% | 21% |
| UNCERTAIN; GOOD & BAD | 2 | 1 | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 4 | 3 | 3 | 4 |
| BAD TIMES | 45 | 62 | 53 | 62 | 59 | 53 | 49 | 50 | 54 | 48 | 53 | 57 | 67 |
| DON'T KNOW | 8 | 7 | 10 | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 6 | 8 | 6 |
| NOT ASCERTAINED | 6 | 4 | 4 | 4 | 5 | 2 | 2 | 2 | 4 | 3 | 5 | 7 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

## CHART 19 - RECENT CHANGES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## CHART 19 - HISTORICAL SERIES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



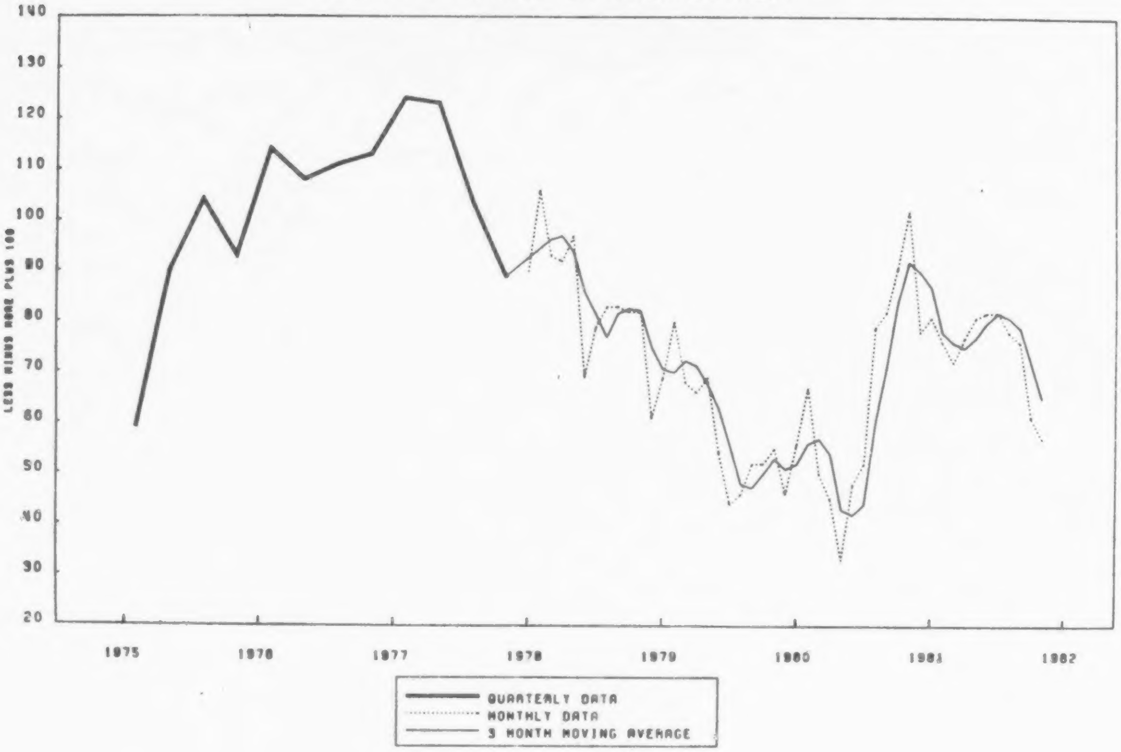
## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

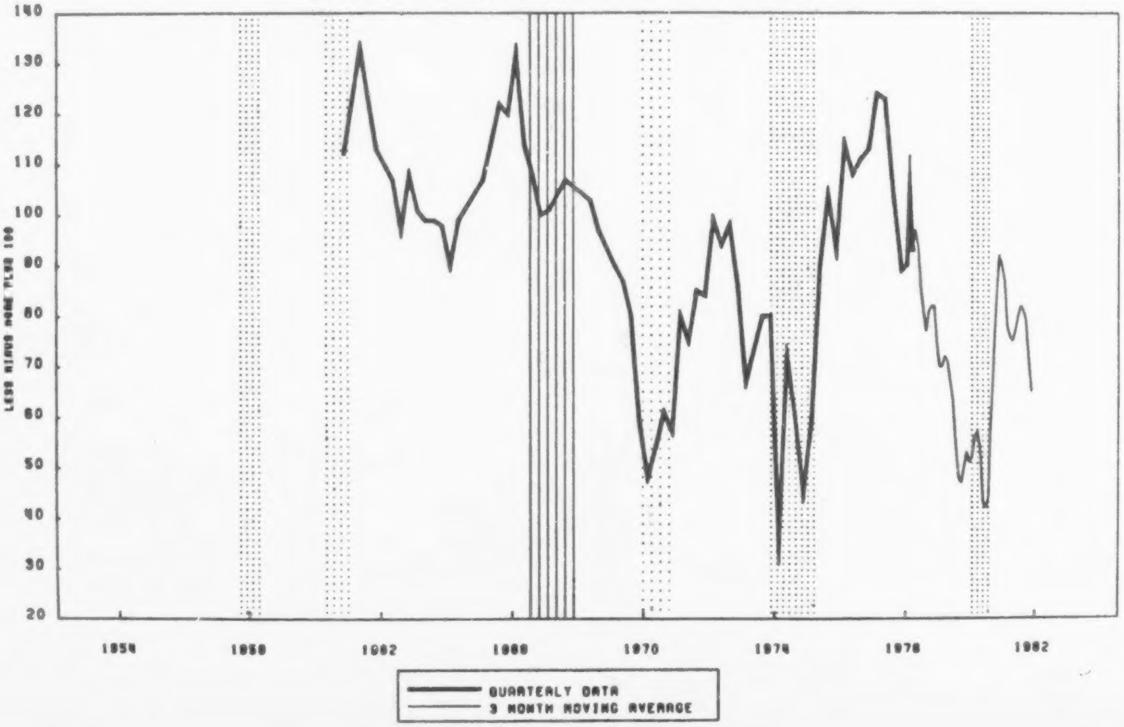
| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 36% | 25% | 30% | 28% | 27% | 30% | 33% | 33% | 27% | 28% | 30% | 24% | 18% |
| UNCERTAIN; GOOD & BAD | 15 | 16 | 15 | 12 | 14 | 13 | 11 | 9 | 11 | 12 | 16 | 14 | 17 |
| BAD TIMES | 43 | 52 | 49 | 55 | 55 | 52 | 52 | 55 | 57 | 56 | 50 | 57 | 62 |
| NOT ASCERTAINED | 6 | 7 | 6 | 5 | 4 | 5 | 4 | 3 | 5 | 4 | 4 | 5 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

## CHART 20 - RECENT CHANGES
## EXPECTED CHANGE IN UNEMPLOYMENT



## CHART 20 - HISTORICAL SERIES
## EXPECTED CHANGE IN UNEMPLOYMENT



## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 26% | 17% | 19% | 16% | 13% | 17% | 17% | 18% | 18% | 14% | 15% | 11% | 11% |
| SAME | 47 | 41 | 41 | 42 | 43 | 41 | 46 | 44 | 44 | 47 | 45 | 38 | 33 |
| MORE | 24 | 39 | 38 | 40 | 41 | 40 | 36 | 36 | 36 | 36 | 39 | 50 | 54 |
| DK,NA | 3 | 3 | 2 | 2 | 3 | 2 | 1 | 2 | 2 | 3 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

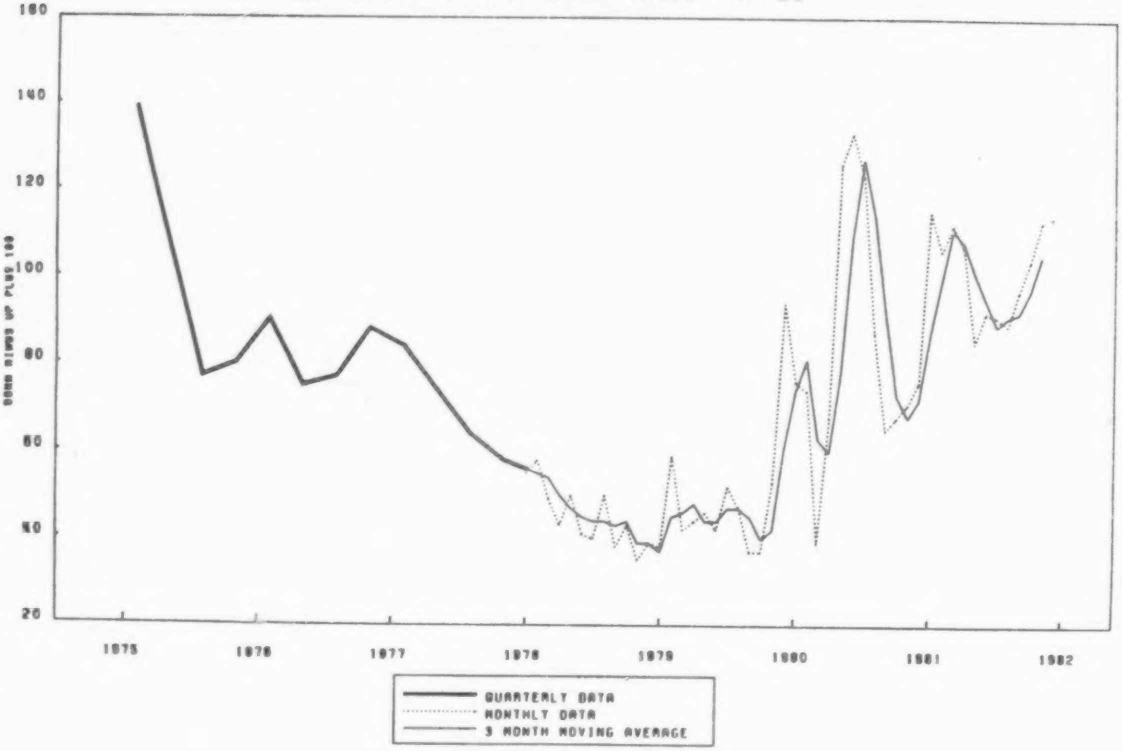


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

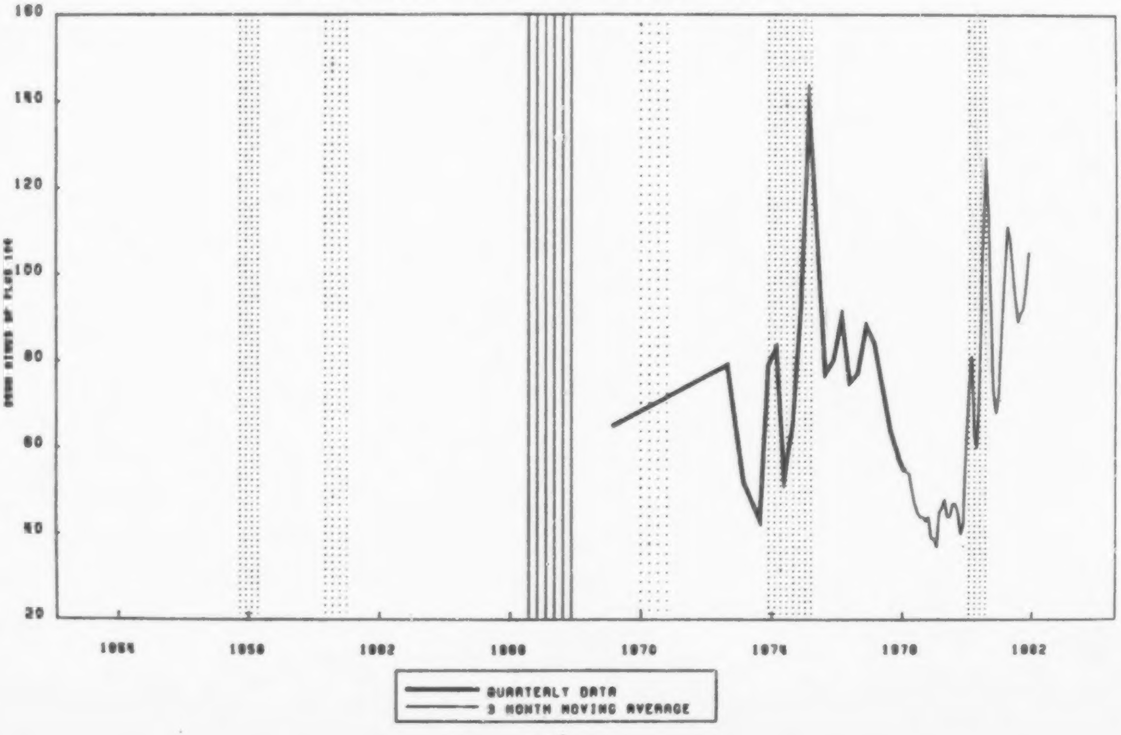


TABLE 21

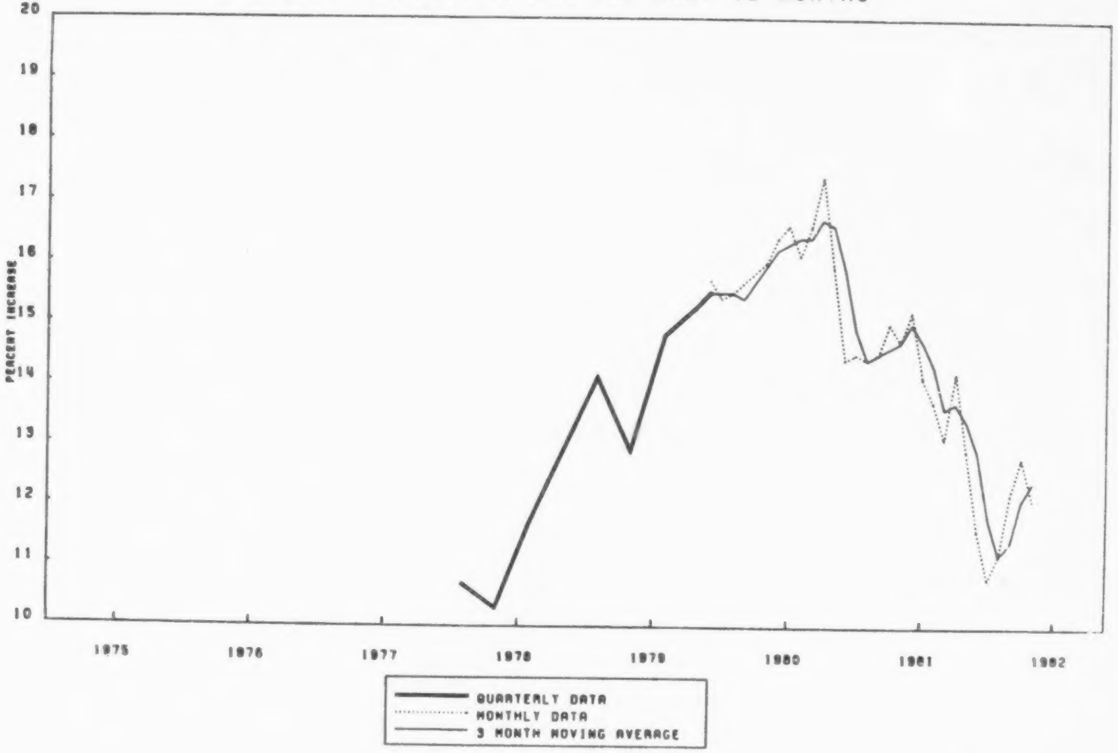
EXPECTED CHANGE IN INTEREST RATES

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 51% | 53% | 29% | 31% | 29% | 31% | 41% | 38% | 38% | 37% | 33% | 31% | 29% |
| STAY THE SAME | 22 | 14 | 20 | 24 | 26 | 27 | 30 | 27 | 28 | 34 | 33 | 30 | 25 |
| GO DOWN | 22 | 29 | 44 | 37 | 41 | 38 | 26 | 30 | 29 | 26 | 30 | 35 | 42 |
| DK,NA | 5 | 4 | 7 | 8 | 4 | 4 | 3 | 5 | 5 | 3 | 4 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS



# TABLE 22

## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 3% | 2% | 3% | 2% | 4% | 4% | 5% | 9% | 10% | 11% | 10% | 8% | 7% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 2 | 2 | 2 | 3 | 2 | 4 | 2 | 4 | 3 | 4 | 3 | 4 | 2 |
| 3-4% | 4 | 3 | 4 | 4 | 4 | 5 | 7 | 6 | 6 | 7 | 4 | 5 | 6 |
| 5% | 7 | 9 | 7 | 8 | 7 | 6 | 8 | 8 | 8 | 8 | 9 | 8 | 10 |
| 6-9% | 12 | 9 | 8 | 8 | 10 | 12 | 10 | 10 | 10 | 10 | 14 | 11 | 12 |
| 10-14% | 27 | 26 | 31 | 32 | 29 | 26 | 31 | 25 | 23 | 24 | 24 | 23 | 24 |
| 15% or more | 29 | 32 | 28 | 25 | 25 | 30 | 27 | 22 | 20 | 21 | 23 | 24 | 22 |
| DK how much up | 16 | 16 | 17 | 17 | 18 | 13 | 10 | 16 | 20 | 15 | 12 | 17 | 16 |
| DK,NA | * | 1 | * | 1 | 1 | * | * | * | * | * | 1 | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 14.7 | 15.2 | 14.1 | 13.7 | 13.1 | 14.2 | 12.9 | 11.6 | 10.8 | 11.2 | 12.2 | 12.8 | 12.1 |
| VARIANCE | 161 | 158 | 130 | 128 | 111 | 156 | 123 | 112 | 104 | 107 | 142 | 147 | 131 |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up, on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

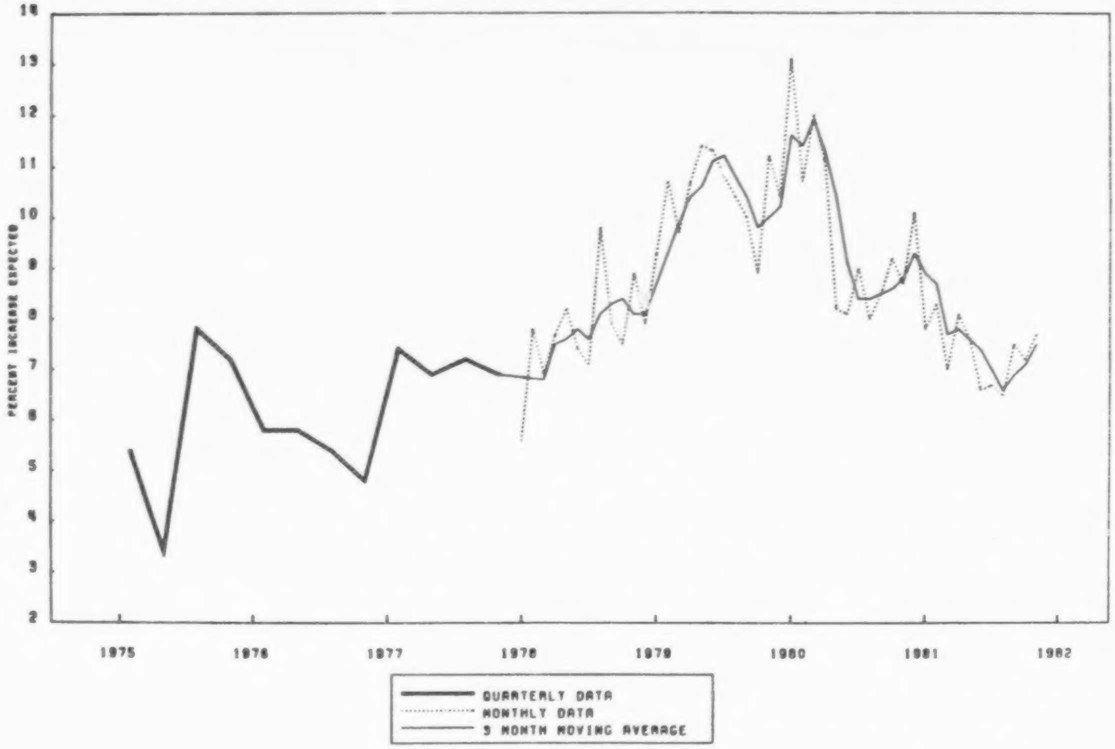
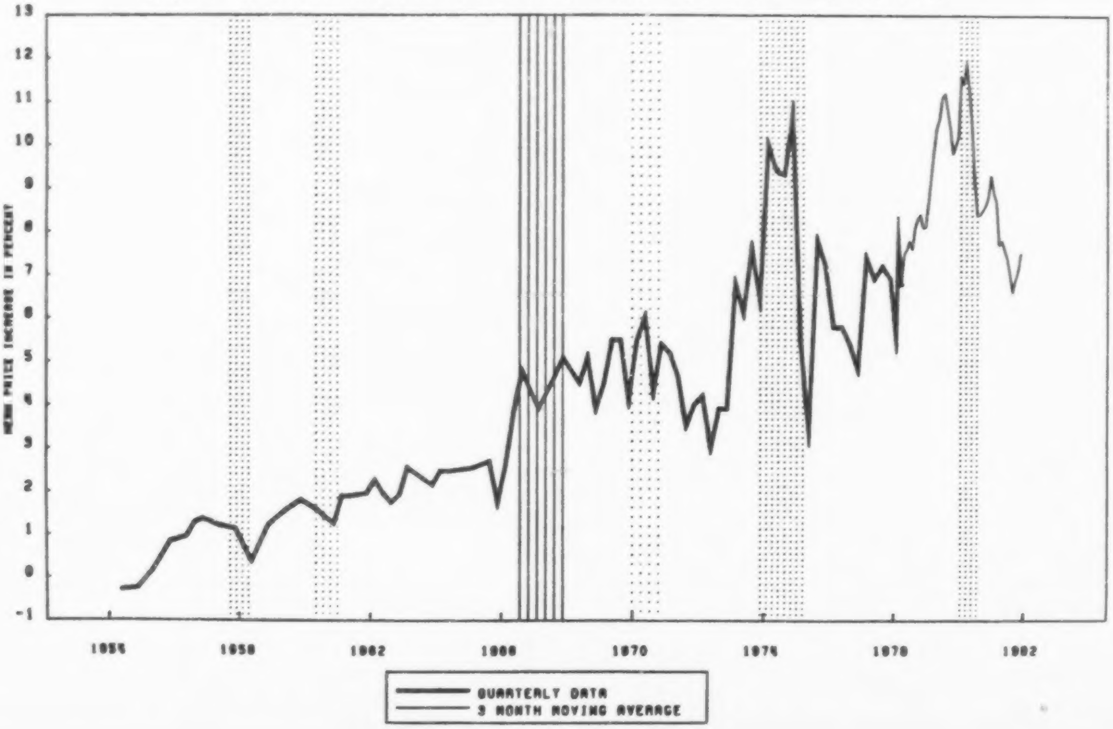


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

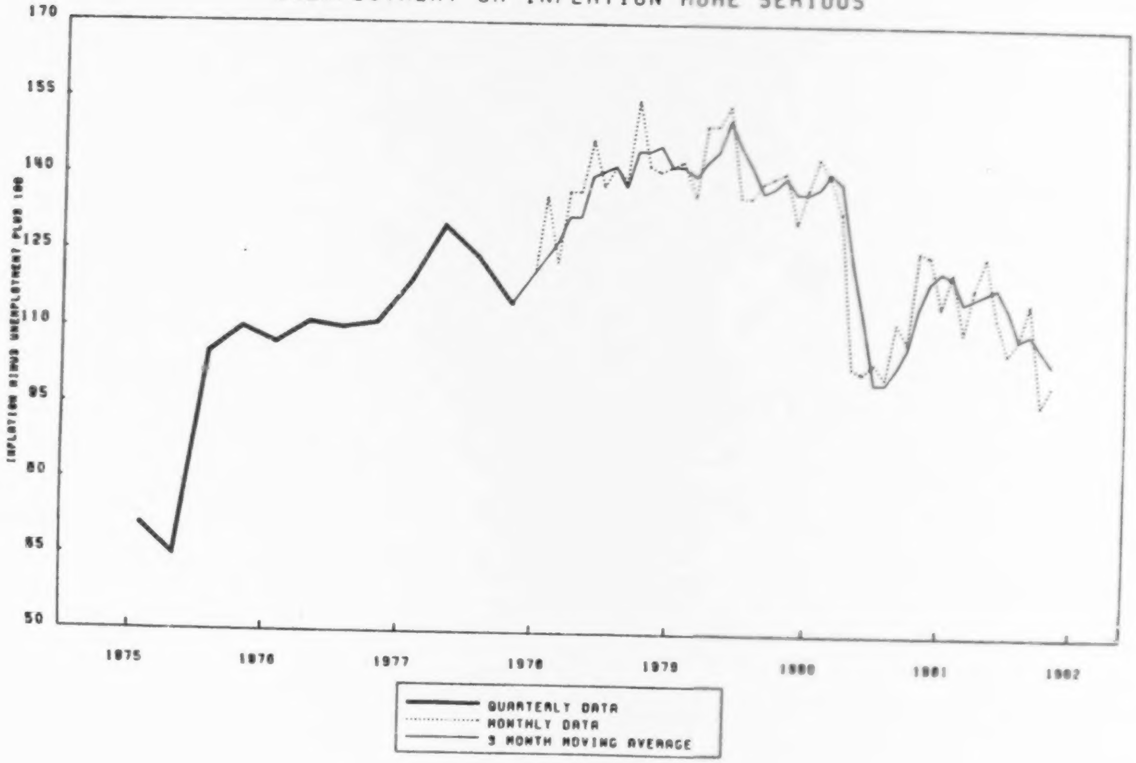
## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 25% | 17% | 21% | 18% | 26% | 27% | 25% | 31% | 31% | 28% | 30% | 27% | 26% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 3 | 3 | 3 | 5 | 2 | 4 | 2 | 4 | 2 | 6 | 4 | 5 | 4 |
| 3-4% | 5 | 5 | 6 | 9 | 8 | 7 | 8 | 6 | 6 | 6 | 8 | 6 | 5 |
| 5% | 8 | 9 | 7 | 9 | 11 | 9 | 10 | 8 | 10 | 12 | 9 | 12 | 11 |
| 6-9% | 12 | 11 | 12 | 12 | 11 | 9 | 13 | 12 | 15 | 11 | 11 | 13 | 11 |
| 10-14% | 20 | 25 | 28 | 23 | 20 | 20 | 22 | 21 | 16 | 16 | 17 | 16 | 21 |
| 15% or more | 14 | 18 | 9 | 12 | 9 | 14 | 11 | 10 | 10 | 10 | 13 | 11 | 10 |
| DK how much up | 11 | 10 | 11 | 10 | 11 | 8 | 7 | 7 | 10 | 8 | 7 | 8 | 10 |
| DK,NA | 2 | 2 | 3 | 2 | 2 | 2 | 2 | 1 | * | 3 | 1 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 8.7 | 10.1 | 7.8 | 8.3 | 7.0 | 8.1 | 7.6 | 6.6 | 6.7 | 6.5 | 7.5 | 7.2 | 7.7 |
| VARIANCE | 102 | 107 | 54 | 74 | 57 | 97 | 79 | 57 | 71 | 60 | 91 | 68 | 84 |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

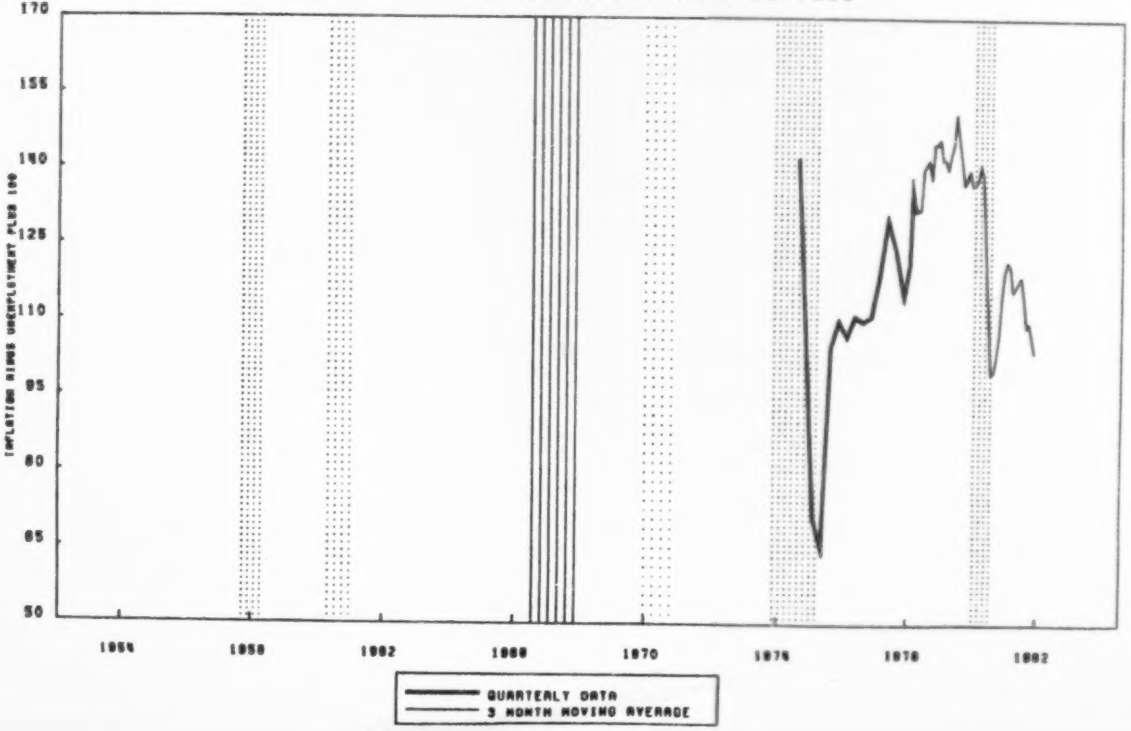
The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

## CHART 24 - RECENT CHANGES
## UNEMPLOYMENT OR INFLATION MORE SERIOUS



## CHART 24 - HISTORICAL SERIES
## UNEMPLOYMENT OR INFLATION MORE SERIOUS



## TABLE 24

## UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 31% | 32% | 34% | 34% | 39% | 35% | 33% | 36% | 42% | 39% | 37% | 45% | 43% |
| BOTH EQUALLY SERIOUS | 11 | 9 | 14 | 8 | 11 | 8 | 8 | 14 | 9 | 11 | 9 | 12 | 13 |
| INFLATION | 57 | 57 | 49 | 56 | 49 | 54 | 58 | 49 | 48 | 48 | 53 | 41 | 43 |
| DK,NA | 1 | 2 | 3 | 2 | 1 | 3 | 1 | 1 | 1 | 2 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

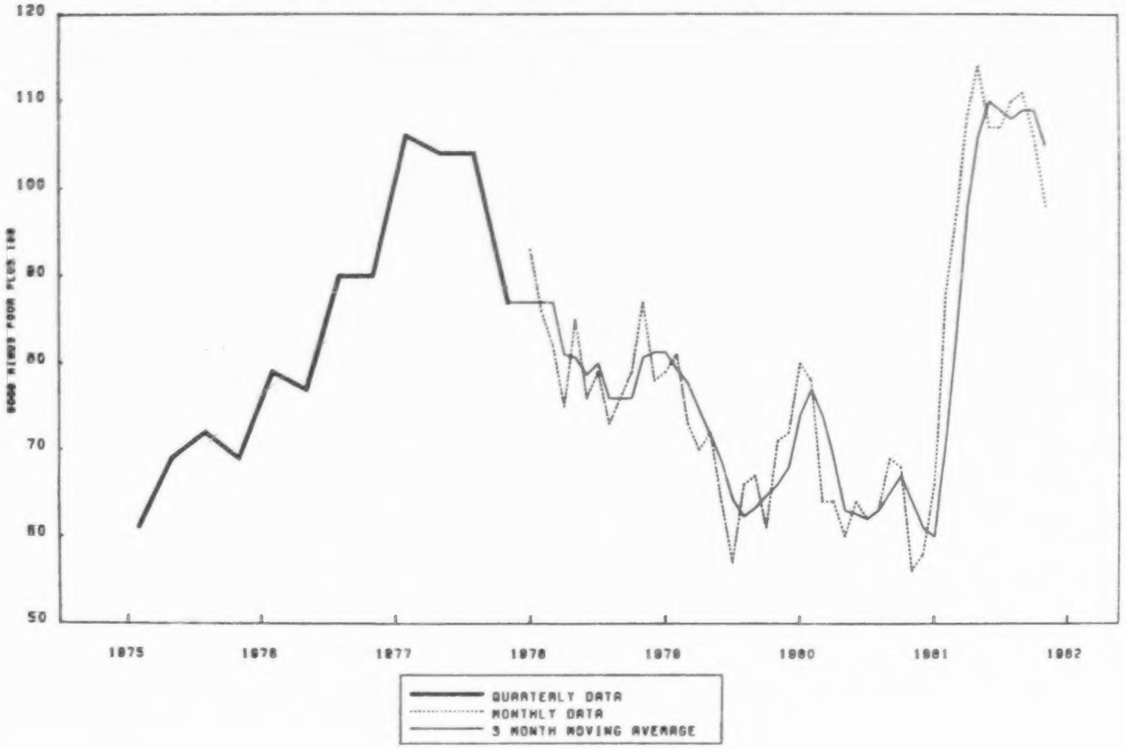


CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

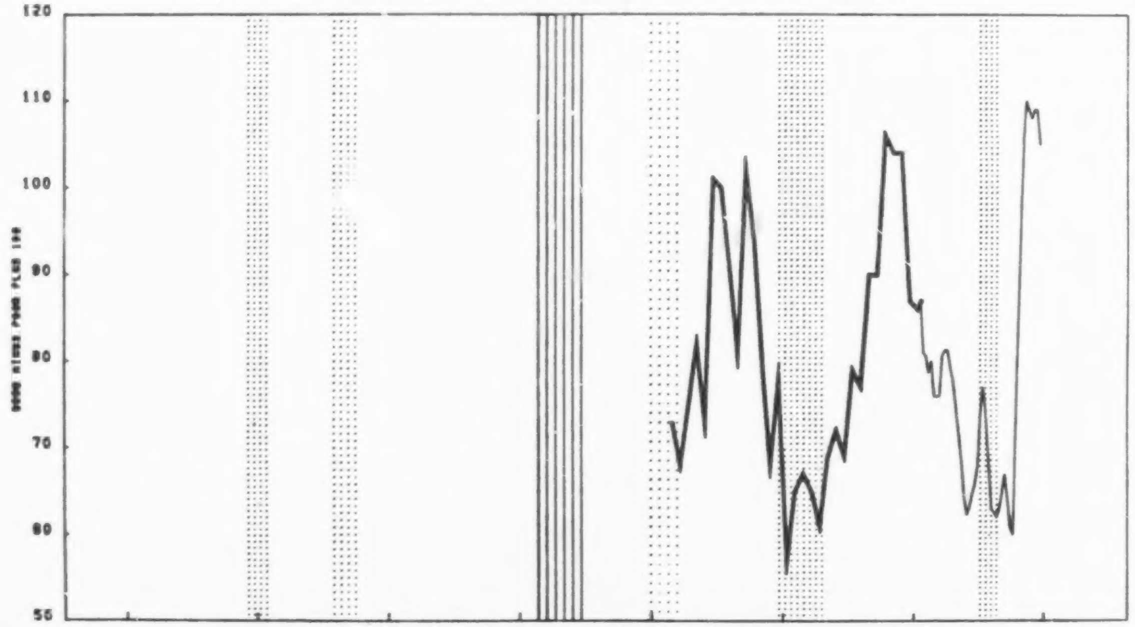


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

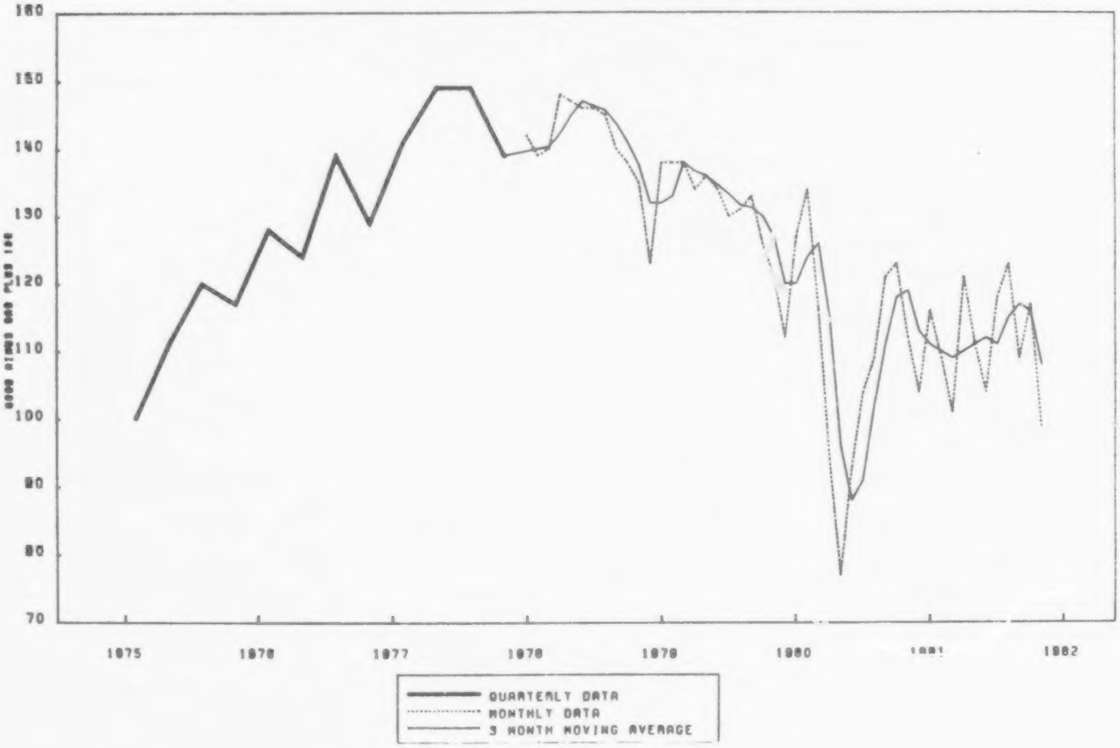
## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

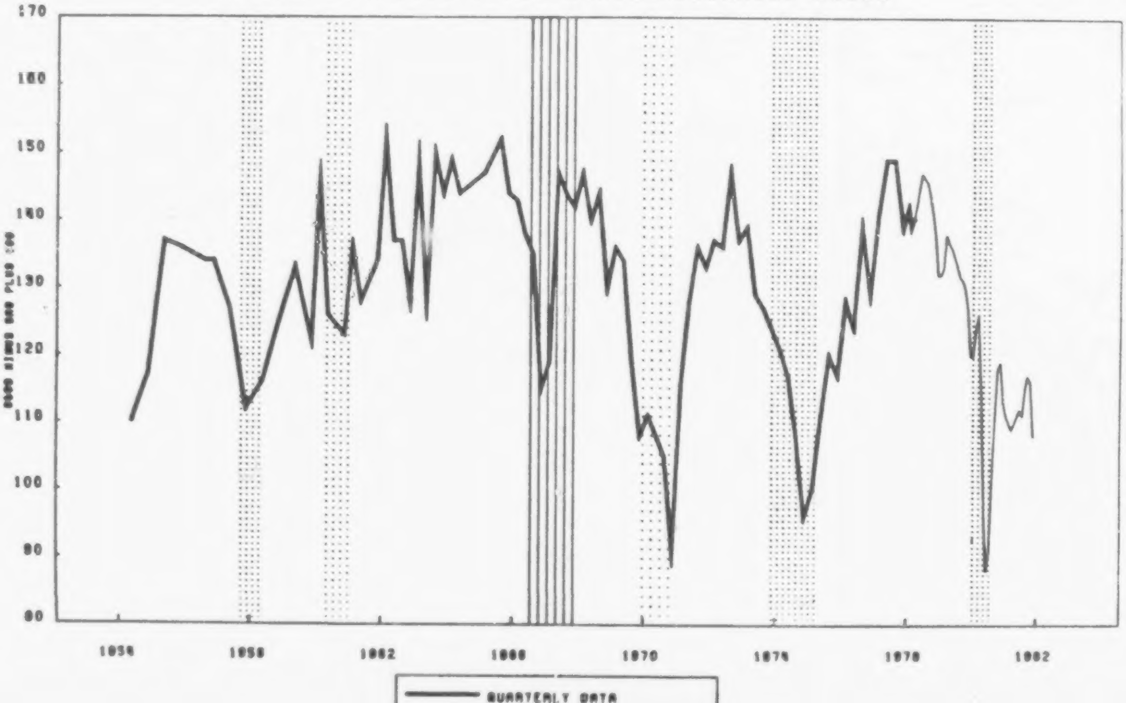
| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 6% | 7% | 10% | 19% | 22% | 28% | 30% | 25% | 28% | 31% | 31% | 31% | 23% |
| ONLY FAIR | 41 | 42 | 42 | 40 | 45 | 47 | 49 | 54 | 47 | 44 | 45 | 41 | 49 |
| A POOR JOB | 50 | 49 | 44 | 31 | 25 | 20 | 16 | 18 | 21 | 21 | 20 | 25 | 25 |
| DK,NA | 3 | 2 | 4 | 10 | 8 | 5 | 5 | 3 | 4 | 4 | 4 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

## CHART 26 - RECENT CHANGES
## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## CHART 26 - HISTORICAL SERIES
## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## TABLE 26

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 50% | 45% | 50% | 47% | 43% | 54% | 50% | 44% | 53% | 55% | 44% | 52% | 43% |
| UNCERTAIN, DEPENDS | 12 | 14 | 16 | 15 | 15 | 13 | 11 | 16 | 12 | 13 | 21 | 13 | 13 |
| BAD TIME TO BUY | 38 | 41 | 34 | 38 | 42 | 33 | 39 | 40 | 35 | 32 | 35 | 35 | 44 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

## TABLE 27

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 20% | 17% | 23% | 23% | 22% | 21% | 16% | 20% | 24% | 24% | 20% | 21% | 19% |
| Prices won´t come down; are going higher | 31 | 24 | 28 | 24 | 23 | 31 | 30 | 23 | 27 | 26 | 21 | 25 | 20 |
| Interest rates low; credit is easy | 2 | 3 | 2 | 3 | 1 | 2 | 3 | 1 | 2 | 3 | 1 | 1 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 23 | 26 | 17 | 24 | 23 | 19 | 25 | 22 | 23 | 17 | 21 | 19 | 25 |
| Interest rates are high; credit is tight | 17 | 22 | 25 | 26 | 22 | 17 | 18 | 23 | 17 | 21 | 21 | 17 | 23 |
| Lack of purchasing power | 11 | 11 | 11 | 13 | 16 | 12 | 9 | 13 | 8 | 7 | 9 | 11 | 12 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

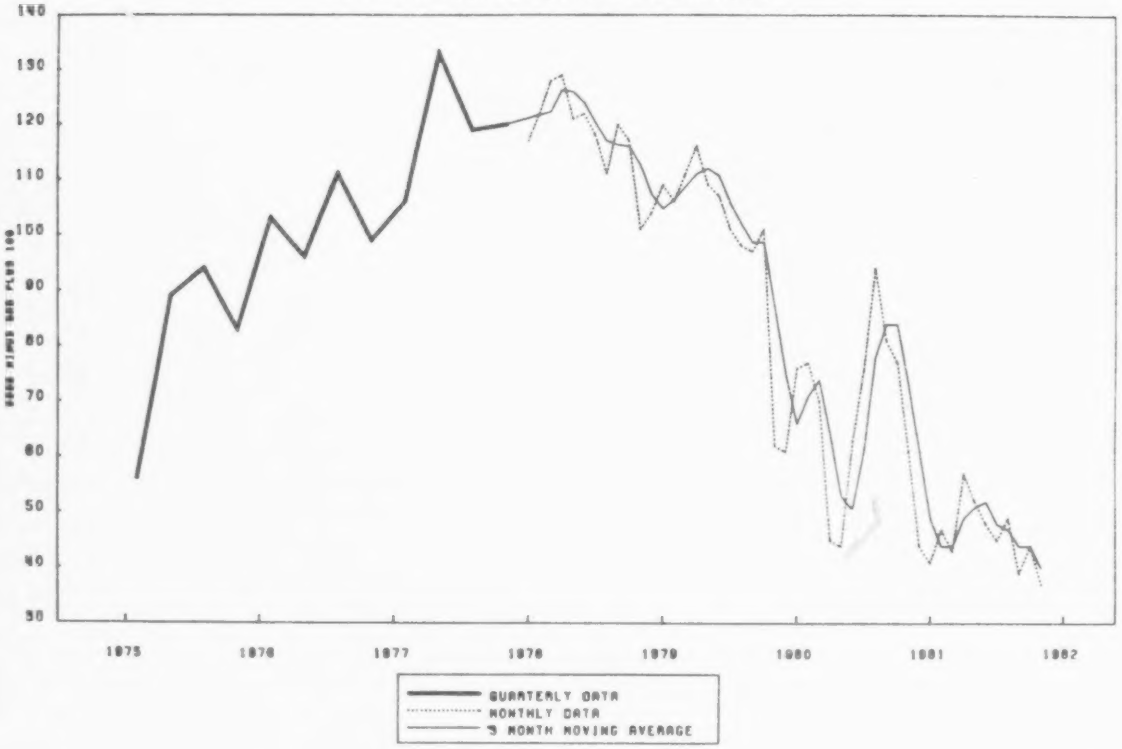
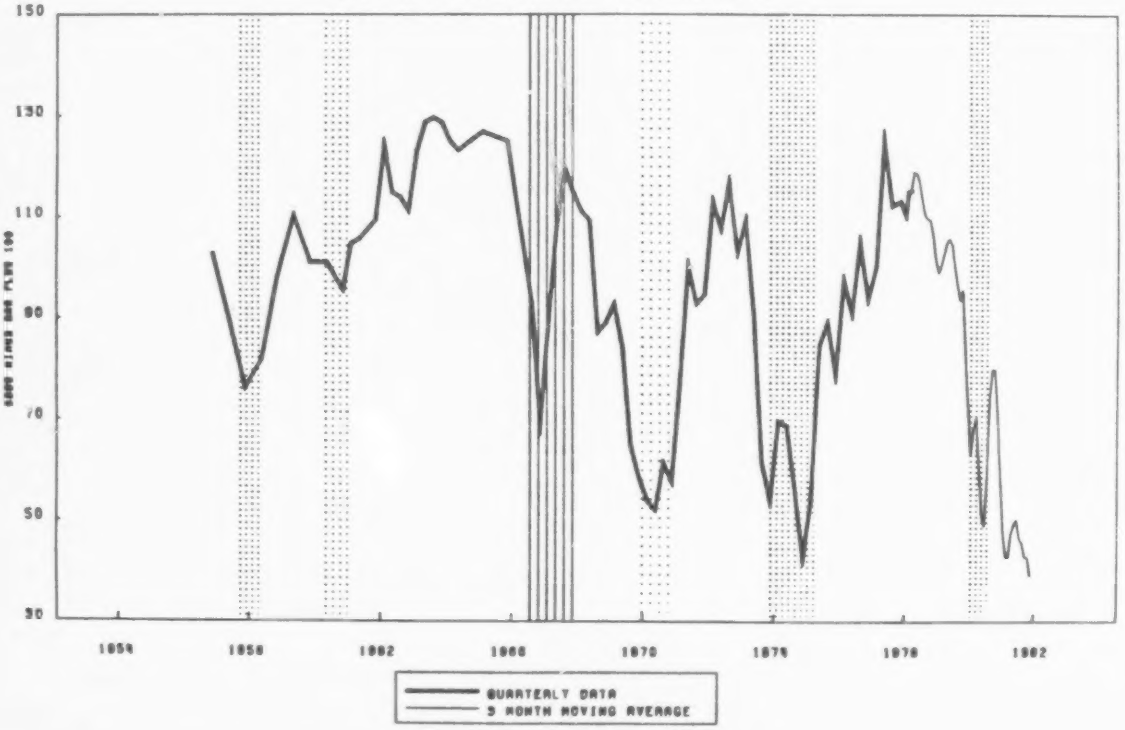


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



# TABLE 28

## BUYING CONDITIONS FOR HOUSES

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 28% | 19% | 18% | 21% | 20% | 26% | 24% | 20% | 20% | 21% | 15% | 18% | 16% |
| UNCERTAIN, DEPENDS | 5 | 6 | 5 | 5 | 3 | 5 | 4 | 8 | 5 | 7 | 9 | 8 | 5 |
| BAD TIME TO BUY | 67 | 75 | 77 | 74 | 77 | 69 | 72 | 72 | 75 | 72 | 76 | 74 | 79 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

# TABLE 29

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 4% | 4% | 3% | 5% | 4% | 5% | 5% | 5% | 5% | 6% | 5% | 7% | 7% |
| Prices won't come down; are going higher | 16 | 10 | 12 | 10 | 9 | 12 | 10 | 10 | 10 | 10 | 7 | 9 | 7 |
| Interest rates low; credit is easy | 10 | 6 | 4 | 7 | 5 | 9 | 7 | 5 | 6 | 8 | 6 | 4 | 4 |
| Good investment | 7 | 6 | 7 | 10 | 7 | 8 | 6 | 6 | 7 | 5 | 4 | 3 | 5 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 28 | 28 | 32 | 31 | 32 | 30 | 28 | 30 | 30 | 23 | 30 | 27 | 24 |
| Interest rates are high; credit is tight | 66 | 77 | 76 | 73 | 76 | 66 | 71 | 71 | 71 | 76 | 80 | 78 | 83 |
| Lack of purchasing power | 11 | 12 | 10 | 14 | 13 | 12 | 11 | 13 | 12 | 11 | 15 | 11 | 17 |

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

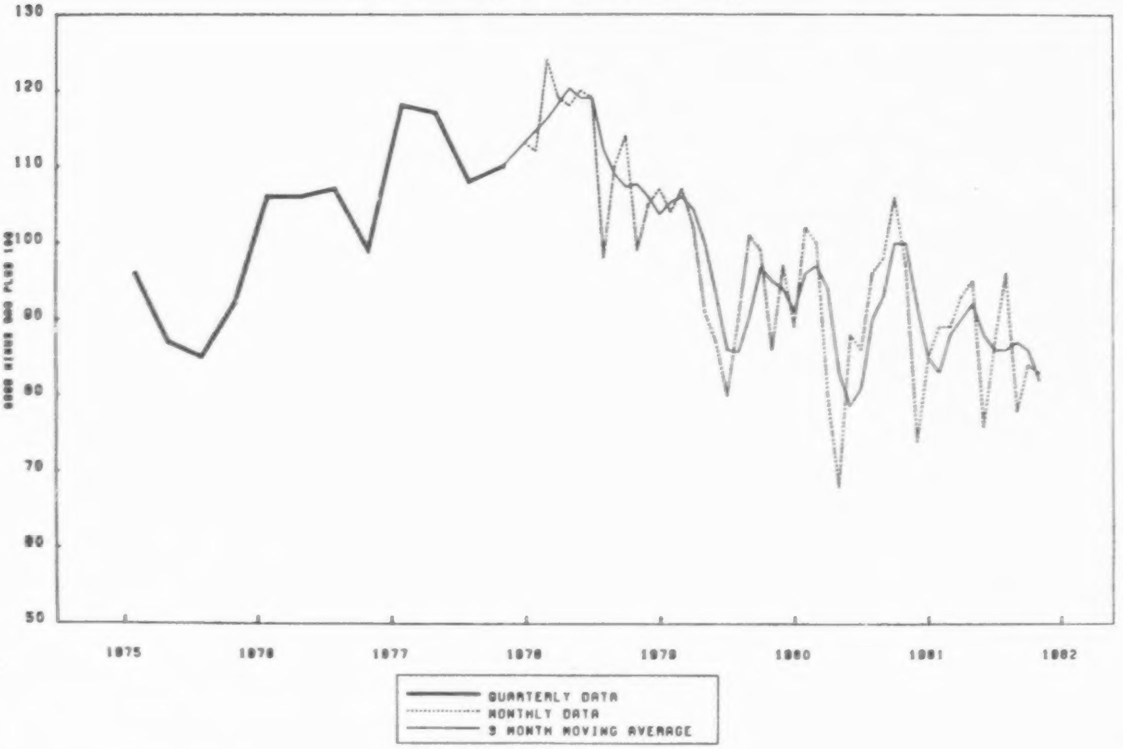
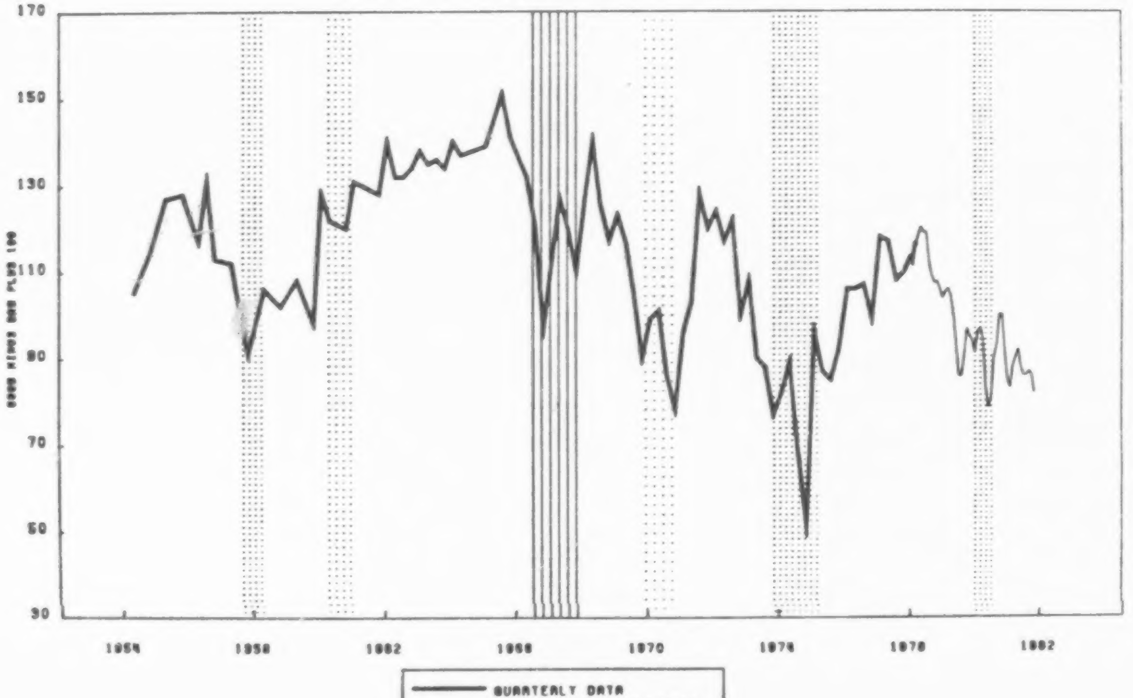


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



## TABLE 30

## BUYING CONDITIONS FOR CARS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 41% | 33% | 36% | 39% | 39% | 42% | 44% | 33% | 40% | 43% | 34% | 37% | 37% |
| UNCERTAIN; DEPENDS | 15 | 8 | 13 | 11 | 11 | 9 | 7 | 10 | 7 | 10 | 10 | 10 | 9 |
| BAD TIME TO BUY | 44 | 59 | 51 | 50 | 50 | 49 | 49 | 57 | 53 | 47 | 56 | 53 | 54 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

## TABLE 31

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 17% | 13% | 18% | 22% | 30% | 25% | 23% | 14% | 17% | 19% | 14% | 20% | 21% |
| Prices won't come down; are going higher | 16 | 12 | 13 | 12 | 10 | 19 | 15 | 12 | 18 | 18 | 15 | 14 | 12 |
| Interest rates low; credit is easy | 3 | 4 | 5 | 3 | 2 | 3 | 4 | 2 | 3 | 5 | 6 | 4 | 5 |
| New fuel efficient models | 7 | 5 | 4 | 4 | 6 | 4 | 5 | 5 | 5 | 4 | 4 | 2 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 28 | 31 | 33 | 31 | 34 | 31 | 33 | 34 | 33 | 26 | 30 | 36 | 32 |
| Interest rates are high; credit is tight | 17 | 29 | 28 | 27 | 21 | 22 | 17 | 28 | 25 | 26 | 31 | 29 | 26 |
| Lack of purchasing power | 7 | 9 | 7 | 7 | 10 | 8 | 6 | 6 | 6 | 5 | 8 | 7 | 8 |
| Price of gas; shortages | 4 | 5 | 4 | 8 | 6 | 5 | 3 | 2 | 3 | 4 | 3 | 1 | 2 |
| Poor selection; quality | 10 | 12 | 9 | 9 | 9 | 8 | 10 | 9 | 11 | 8 | 9 | 8 | 10 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 17% | 14% | 15% | 16% | 14% | 15% | 17% | 17% | 14% | 19% | 17% | 14% | 19% |
| CHANCES ARE EVEN | 6 | 6 | 8 | 7 | 6 | 8 | 9 | 8 | 7 | 7 | 3 | 7 | 6 |
| PROBABLY WILL NOT BUY | 66 | 67 | 66 | 62 | 67 | 65 | 63 | 66 | 64 | 59 | 67 | 70 | 66 |
| DK,NA | 11 | 13 | 11 | 15 | 13 | 12 | 11 | 9 | 15 | 15 | 13 | 9 | 9 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 23% | 20% | 23% | 23% | 20% | 23% | 26% | 25% | 21% | 26% | 20% | 21% | 25% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 11 | 8 | 11 | 10 | 9 | 11 | 11 | 10 | 9 | 12 | 9 | 10 | 11 |
| Buy used | 9 | 9 | 8 | 10 | 9 | 10 | 12 | 11 | 9 | 11 | 9 | 9 | 12 |
| Lease | * | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 1 | 1 | * |
| DK,NA | 3 | 2 | 3 | 2 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 2 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 4 | 2 | 3 | 1 | 1 | 5 | 5 | 2 | 5 | 3 | 2 | 4 | 2 |
| Next 4-6 months | 3 | 3 | 5 | 6 | 4 | 8 | 5 | 7 | 6 | 7 | 4 | 6 | 6 |
| Next 7-9 months | 6 | 5 | 6 | 7 | 5 | 5 | 7 | 7 | 2 | 3 | 5 | 3 | 8 |
| 10 months or more | 4 | 5 | 4 | 3 | 5 | 2 | 3 | 5 | 3 | 7 | 5 | 4 | 4 |
| DK,NA | 6 | 5 | 5 | 6 | 5 | 3 | 6 | 4 | 5 | 6 | 4 | 4 | 5 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

## TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | Nov. 1980 | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 66% | 67% | 66% | 62% | 67% | 65% | 63% | 66% | 64% | 59% | 67% | 70% | 66% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 38 | 37 | 35 | 33 | 34 | 39 | 37 | 37 | 35 | 34 | 33 | 38 | 34 |
| Would buy used | 26 | 27 | 29 | 28 | 28 | 24 | 25 | 27 | 27 | 23 | 31 | 29 | 29 |
| DK,NA | 2 | 3 | 2 | 1 | 5 | 2 | 1 | 2 | 2 | 2 | 3 | 3 | 3 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 6 | 7 | 6 | 5 | 6 | 9 | 6 | 5 | 4 | 7 | 5 | 5 | 7 |
| 2 years | 23 | 20 | 17 | 23 | 23 | 19 | 22 | 20 | 19 | 18 | 23 | 20 | 18 |
| 3 years | 11 | 12 | 12 | 9 | 9 | 9 | 10 | 11 | 11 | 10 | 10 | 11 | 8 |
| 4 years or more | 15 | 18 | 19 | 16 | 19 | 22 | 15 | 20 | 18 | 18 | 21 | 24 | 19 |
| Indefinite | 5 | 3 | 5 | 3 | 3 | 3 | 4 | 5 | 5 | 1 | 2 | 4 | 4 |
| DK,NA | 6 | 7 | 7 | 6 | 7 | 3 | 6 | 5 | 7 | 5 | 6 | 6 | 10 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

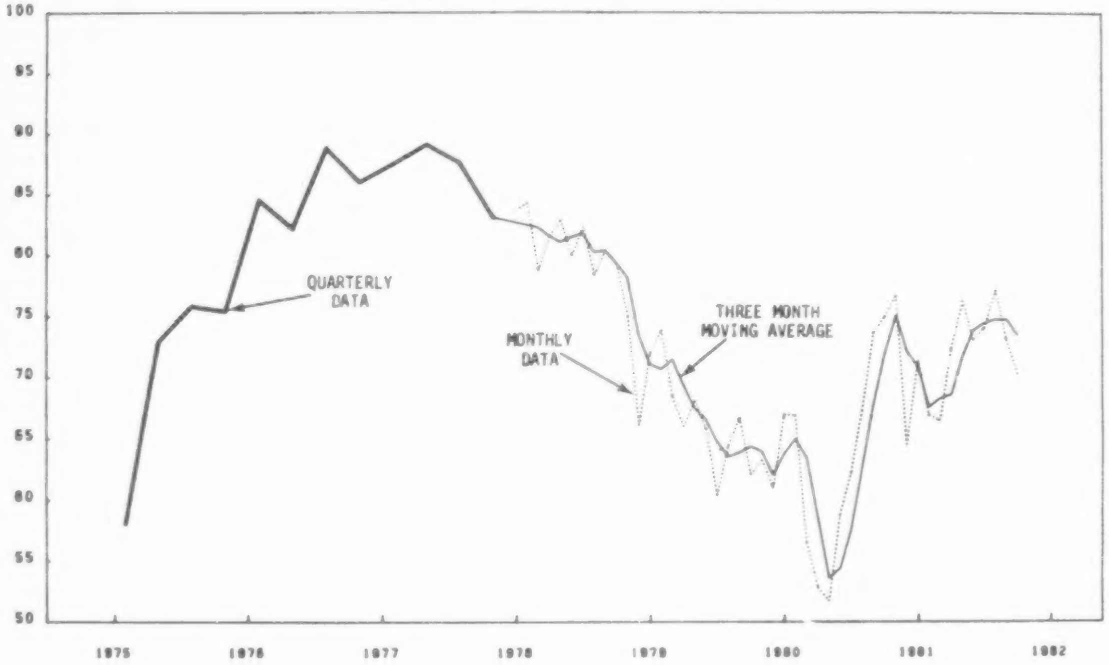
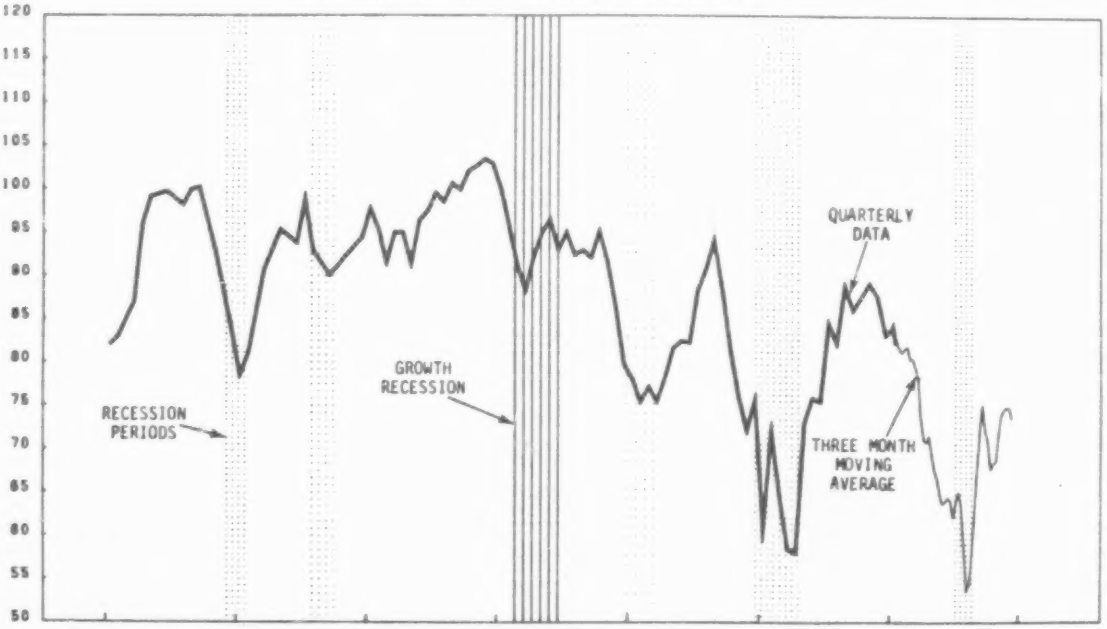


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three month intervals (quarters) before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

## TIME SCALE LABELS

Each tic mark on the time scales represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES

RECESSION PERIOD: Reduction in the national output of goods and services (generally lasting at least two quarters).

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980

GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

DATE: June 1966 - November 1967

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

# SUMMARY

u 7475-2 (A)

December 5, 1981

NOVEMBER 1981 MONTHLY SURVEY

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## UNEMPLOYMENT ADDS TO INTEREST RATE DISTRESS

** In the November 1981 survey, the Index of Consumer Sentiment was 62.5, down 7.8 Index points from the October reading, and 14.2 Index points below the year earlier reading. The November decline reverses nearly all the improvement in consumer sentiment recorded since mid-1980. Recently heightened concerns about unemployment, coupled with continued aversion to high interest rates, have led to less favorable evaluations of business conditions as well as less favorable buying attitudes.

** Among families with incomes of $25,000 and over, the Index figure was 66.3 in November 1981, down 11 Index points from October, and 21.2 Index points below the year earlier reading.

** Almost nine in ten respondents in the November 1981 survey expected unemployment to increase in the year ahead or remain at the same high current levels. Current business conditions were thought to have worsened by 70 percent of all families in the November 1981 survey, a sharp rise from the 50 percent recorded just three months earlier. Heightened concern with unemployment coupled with lower inflation rates have led consumers to increasingly view unemployment rather than inflation as the more serious economic problem now facing the nation.

** Changes in business conditions expected during the year ahead were less favorable in November 1981 than one month earlier. When asked why they expected improvement or deterioration in business conditions, favorable references to government economic policies dropped to its lowest level since President Reagan took office.

** Prospects for long term business conditions have grown increasingly pessimistic during the past year. In November 1981, 62 percent of all families expected bad times in the economy as a whole during the next five years, up from 57 percent in October and 43 percent in November 1980. The proportion that expected good times financially over the longer term was 18 percent in November 1981, half the 36 percent recorded a year earlier.

** Unfavorable attitudes toward market conditions for houses reached a new record low level in the November 1981 survey, with 79 percent of all families holding unfavorable house buying attitudes. When asked to explain their views, an all time record number of respondents mentioned high interest rates and tight credit conditions (83 percent).

** Postponement of purchases due to interest rates were reported by 37 percent of all households in the November 1981 survey, up from 30 percent in October 1981. The most frequently postponed purchases were vehicles (15 percent) and housing and home repairs (15 percent).

* * *

Monitoring Economic Change Program
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## Heightened Concern with Unemployment

An increased awareness of unfavorable business developments was recorded in the November 1981 survey, with spreading unemployment the dominant concern. Current business conditions were thought to have worsened by 70 percent of all families in the November 1981 survey, a sharp rise from the 50 percent recorded just three months earlier. Among all families, 28 percent spontaneously mentioned that they had heard news of increasing unemployment in November 1981, twice the level recorded at mid year. Overall, 54 percent of all families in the November 1981 survey expected unemployment to increase during the year ahead, more than twice the 24 percent recorded in November 1980. In total, almost nine in ten respondents in the November 1981 survey expected unemployment to increase or remain at the same high current levels in the year ahead. Just 11 percent in November 1981 expected unemployment to lessen during the year ahead.

Heightened concern with unemployment coupled with lower inflation rates have led consumers to more frequently view unemployment rather than inflation as the more serious economic problem now facing the nation than in November 1980. On average, consumers expected prices to increase by 7.7% in the November 1981 survey, down from 8.7% a year earlier.

## Confidence in Government Economic Policies Weakens

Changes in business conditions expected during the year ahead were somewhat less favorable in November 1981 than one month earlier. The proportion that expected improvements was only 1 percent greater than the proportion that expected further deterioration (27 versus 26 percent). This stands in sharp contrast to one year earlier, when favorable exceeded unfavorable expectations by the more substantial margin of 40 to 14 percent. When asked why they expected improvement or deterioration in business conditions, favorable references to government economic policies dropped to its lowest level since President Reagan took office. In November 1981, 15 percent made spontaneous favorable references to government economic policies, down from 19 percent in October, and less than half the 35 percent recorded in January 1981.

Overall confidence in government economic policies designed to combat inflation and unemployment declined in the November 1981 survey. Among all families, 23 percent favorably rated government policies, down from 31 percent one month earlier. Unfavorable views of economic policy were held by 25 percent of all families in November 1981, unchanged from October, but above the low of 16 percent recorded in May 1981--when confidence in government economic policy reached its highest level under the Reagan administration.

### Personal Finances Weaken Due to Lagging Incomes

Consumers' evaluations of their current financial situation were less favorable in November 1981, reversing the entire improvement recorded during the past year. Among all families, 44 percent reported a worsened financial situation, up from 36 percent in October, and just below the 45 percent recorded a year earlier. Fewer respondents in November 1981 mentioned that they had received income increases than one year earlier (25 percent versus 31 percent).

Expected changes in personal finances remained unchanged from the October 1981 reading, but were somewhat less favorable than in the November survey of a year earlier. Personal finances were expected to improve rather than deteriorate by a margin of 30 to 20 percent in November 1981, compared with the 35 to 17 percent margin recorded a year earlier. In the November 1981 survey, 31 percent of all families expected their nominal income to increase by 10% or more in the year ahead, compared with 33 percent that expected double digit income increases in November 1980. Although income expectations have remained on balance favorable, during the past year the proportion of families that expected nominal income declines doubled, rising from 7 percent in November 1980 to 15 percent in November 1981.

### House Buying Attitudes Reach New Record Low

High interest rates continue to severely depress favorably buying attitudes, and have kept attitudes toward buying conditions for houses, cars, and household durables near record low levels.

Attitudes toward market conditions for houses reached a new record low level in the November 1981 survey, with 79 percent of all families holding unfavorable house buying attitudes. When asked to explain their views, an all-time record number of respondents mentioned high interest rates and tight credit conditions (83 percent). (See Chart 1 ).

Attitudes toward market conditions for large household durables were less favorable in November 1981 than either one month or one year earlier.

For the first time in the past 12 months, respondents gave more unfavorable than favorable ratings for buying conditions for durables in the November 1981 survey (43 versus 44 percent), a sharp decline from the favorable balance of opinion recorded in October (52 versus 35 percent), or November 1980 (50 versus 38 percent). The recent decline in favorable attitudes was due to more frequent complaints about high interest rates and high prices. In addition, the appeal of buy-in-advance price rationales with regard to the durables goods market reached a cyclical low level in the November 1981 survey (20 percent, down from 31 percent a year earlier).

Attitudes toward market conditions for automobiles in the November survey were unchanged from one month earlier, but were less favorable than year earlier readings. In November 1981, 54 percent of all families rated buying conditions for vehicles unfavorably, up from 44 percent in November 1980. In comparison with a year earlier, respondents mentioned high interest rates as well as high prices more frequently when explaining their views. (See Chart 2).

## Postponement of Purchases Due to Interest Rates

Postponement of purchses due to interest rates were reported by 37 percent of all households in the November 1981 survey, up from 30 percent in October 1981 (see Table A below). The most frequently postponed purchases were vehicles (15 percent) and housing and home repairs (15 percent).

Families that had postponed purchases were asked what interest rate would have been charged on the postponed purchases. The median overall response was 17.5% in the October-November 1981 surveys. When the purchase postponed was either a vehicle or housing the median interest rate which prompted postponement was 17.1%, while a median of 18.0% was cited for postponed purchases of household durables (see Table B).

The median interest rate at which these families would have made the purchase was 11.9% across all items. The highest interest rates that families were willing to pay were for household durables (12.0%), followed by housing (11.8%) and vehicles (11.4%).

The gap between interest rates charged and interest rates people were willing to pay was 4.8% across most items, although the gap widened to 5.9% for purchases of household durables.

## Buy American--Except when Import Prices are Lower or Quality Better

When asked whether they would be more willing to purchase a product made in this country or a product made in another country, American consumers voiced a distinct preference for domestic made products--other things being equal. Among all families, 58 percent indicated they would buy American, while just 4 percent held a general preference for imports (see Table C). About one-third of all families replied that they had no overall preference, but that it depended on the type of product, its price and quality.

The vast majority of consumers who indicated a preference for products made in this country explained their views by references to patriotism (91 percent), while consumers who indicated an overall preference for products made in other countries primarily referred to cost considerations (82 percent). Respondents that indicated they were indifferent most frequently mentioned quality considerations (41 percent) as being the factor by which to decide.

Among respondents that indicated a preference for products made in this country, vehicles and household durables were mentioned with nearly equal frequency. Among those with preferences for imports, products mentioned were even more heavily concentrated among vehicles and household durables.

Families that indicated an overall preference for products made in this country were asked if they would alter their opinion if prices and product quality differed between domestic and foreign made products (see Table D). Of the 58 percent that initially favored American products, less than half would still favor American products of lower quality. On balance, consumers were more responsive to quality than price considerations. Combining price and quality considerations, the initial appeal of American products was reduced from a preference of 58 to 14 percent of all households, regardless of the type of product under consideration.

## Influence of Unemployment and Interest Rates

The importance of trends in unemployment and interest rates in the formulation of economic expectations is shown in Table E. Among families that expected increases in both unemployment and interest rates, the Index of Consumer Sentiment was just half the level recorded among respondents that expected no increase in either unemployment or interest rates (Table E).

intermediate were respondents that expected unemployment increases but interest rate declines. Buying attitudes were somewhat more responsive to interest rate expectations than unemployment, while attitudes toward business conditions and confidence in government economic policies are more equally responsive to both unemployment and interest rate expectations.

## Summary Outlook

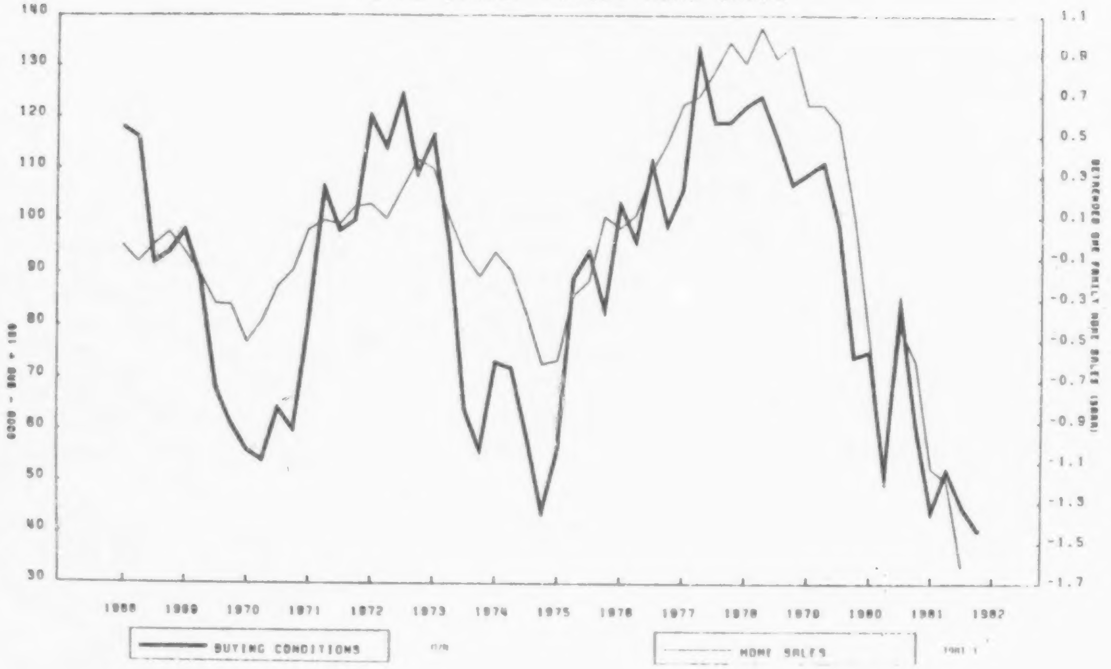
High interest rates coupled with rising concerns with spreading unemployment have not only directly resulted in less favorable evaluations of current business conditions, but also have dampened confidence in the ability of economic policies to promote more favorable future prospects. Large discretionary purchases will continue to be responsive to trends in interest rates, but more favorable employment and real income trends are necessary before sustained growth in housing and vehicle sales can be expected.

* * *

The November 1981 survey included 690 interviews, conducted between October 23 and November 19, 1981.

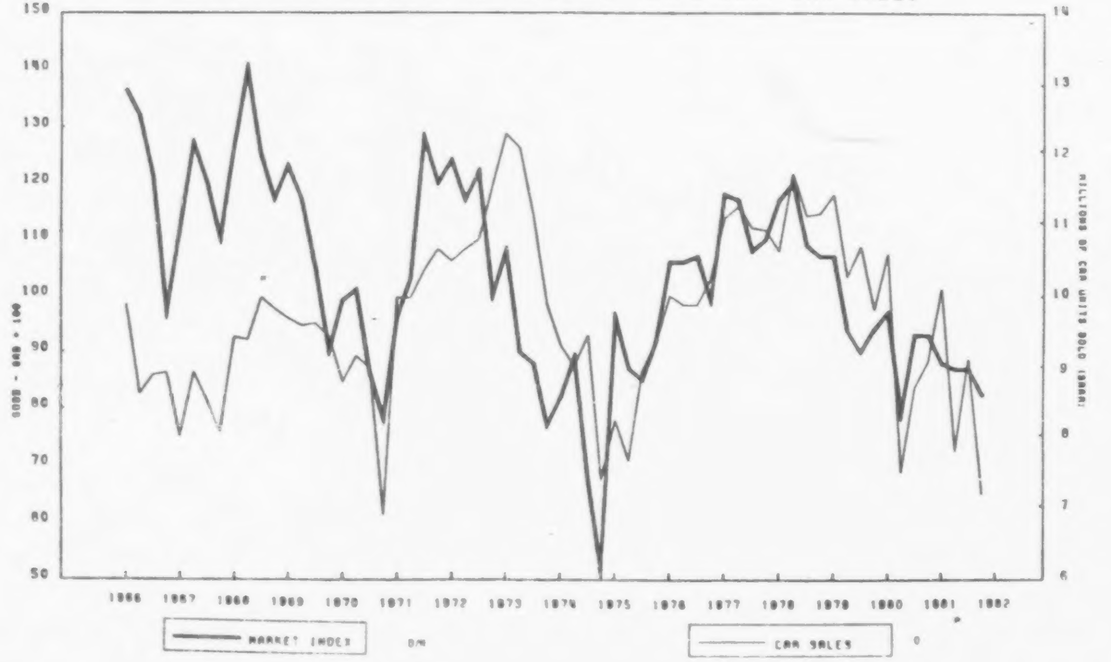
## CHART 1

### BUYING CONDITIONS FOR HOUSES AND TOTAL SINGLE FAMILY HOME SALES



## CHART 2

### BUYING CONDITIONS FOR CARS AND TOTAL UNIT CAR SALES



## TABLE A

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | June 1980 | October 1981 | November 1981 |
|---|---|---|---|
| Postponed Purchases:* | 15% | 30% | 37% |
| Vehicles | 5 | 11 | 15 |
| House, home repairs | 2 | 11 | 15 |
| Household durables | 7 | 8 | 8 |
| Clothing | 1 | 1 | 1 |
| Other | * | 3 | 4 |
| Did not Postpone Purchase | 84 | 67 | 62 |
| Don't know, not ascertained | 1 | 3 | 1 |
| Total | 100% | 100% | 100% |
| Cases | 688 | 712 | 690 |

---

*Items add to more than total, due to multiple mentions.

The questions were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October and November 1981: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

## TABLE B

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

(November 1981)

| Postponed Purchases | All Items[a] | Vehicles | House, Real Estate | Household Durables |
|---|---|---|---|---|
| All households | 33% | 13% | 13% | 8% |
| Interest rate that would have been charged on postponed purchase | | | | |
| Median | 17.6% | 17.1% | 17.1% | 18.0% |
| Highest interest rate willing to pay to make purchases | | | | |
| Median | 12.0% | 11.4% | 11.8% | 12.0% |
| Difference between interest rate charged and willing to pay | | | | |
| Median | 5.0% | 4.7% | 4.6% | 5.9% |

---

*Items add to more than total, due to multiple mentions.

The questions were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October and November 1981: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

## TABLE C

## BUYING PREFERENCES FOR DOMESTIC OR FOREIGN PRODUCTS

(October-November 1980)

| | |
|---|---|
| Preference for Products Made in: | |
| This country | 58% |
| Depends; no difference | 36 |
| Another country | 4 |
| Don't know; NA | 2 |
| Total | 100% |
| Reasons Given for Country Preference | |
| This country[a] | |
| Patriotic | 91% |
| Cost | 16 |
| Quality | 17 |
| Another country[a] | |
| Cost | 82% |
| Quality | 25 |
| Depends; no difference[a] | |
| Cost | 27% |
| Quality | 41 |
| Type product | 20 |
| Other | 12 |
| Domestic Product Preference[a] | |
| Autos | 58% |
| Household goods; electronics | 55 |
| Other products | 33 |
| Foreign Product Preference[a] | |
| Autos | 71% |
| Household goods; electronics | 65 |
| Other products | 13 |

---

[a] Percents may add to more than 100% due to multiple mentions.

The questions asked were: "If you were going to make a major purchase do you think you would be more likely to buy a product made in this country, a product made in another country, or wouldn't it make any difference to you?" "Why do you say so?" and "What types of products would those be?"

## TABLE D

## CONSUMER REACTIONS TO PRICE AND QUALITY DIFFERENCES OF DOMESTIC AND FOREIGN MADE PRODUCTS

| | | |
|---|---|---|
| Prefer Product Made in this Country | 58% | |
| Reaction to Price | | |
| Would prefer foreign if price somewhat lower | | 10 |
| Would prefer foreign if price great deal lower | | 27 |
| Prefer domestic regardless of price | | 26 |
| Reaction to Quality | | |
| Would prefer foreign if quality somewhat better | | 27 |
| Would prefer foreign if quality great deal better | | 30 |
| Prefer domestic regardless of quality | | 17 |
| Reaction to Price and Quality | | |
| Would prefer foreign only if price lower | | 4 |
| Would prefer foreign only if quality better | | 13 |
| Would prefer foreign if both price lower & quality better | | 23 |
| Prefer domestic regardless of quality and price | | 14 |

---

The questions were: "If a similar product made in another country had a somewhat lower price would you still be more likely to buy the product made in this country?" "If the price were a great deal lower--would you still be more likely to buy a product made in this country?" "If a product made in another country was of somewhat better quality, would you still be more likely to buy a product made in this country?" and "If the quaolty were a great deal better, would you still be more likely to buy a product made in this country?"

## TABLE E

## IMPACT OF EXPECTED CHANGES IN UNEMPLOYMENT AND INTEREST RATES DURING NEXT 12 MONTHS ON CONSUMER SENTIMENT

(November 1981)

| | Expect Increase in Unemployment and ... | | Expect Unemployment and Interest Rates to Decline or Remain Unchanged |
|---|---|---|---|
| | Higher interest rates | Lower interest rates | |
| Index of Consumer Sentiment | 40.7 | 61.2 | 80.6 |
| Personal Finances | | | |
| Expected during next year | | | |
| Better | 20% | 23% | 49% |
| Worse | 30% | 22% | 9% |
| Relative[a] | 90 | 101 | 134 |
| Business Conditions | | | |
| Expected during next year | | | |
| Better | 4% | 28% | 52% |
| Worse | 51% | 30% | 9% |
| Relative[a] | 53 | 98 | 143 |
| Expected next five years | | | |
| Better | 2% | 16% | 38% |
| Worse | 88% | 62% | 29% |
| Relative[a] | 14 | 53 | 129 |
| Current Buying Conditions | | | |
| Large household durables | | | |
| Good | 27% | 42% | 51% |
| Bad | 61% | 46% | 40% |
| Relative[a] | 66 | 96 | 111 |
| Houses | | | |
| Good | 9% | 13% | 16% |
| Bad | 83% | 83% | 78% |
| Relative[a] | 26 | 30 | 38 |
| Automobiles | | | |
| Good | 26% | 37% | 41% |
| Bad | 57% | 54% | 55% |
| Relative[a] | 69 | 83 | 86 |
| Evaluation of Government Economic Policy | | | |
| Good job | 9% | 18% | 40% |
| Poor job | 51% | 27% | 8% |
| Relative[a] | 58 | 91 | 132 |
| Mean Expected Change in Prices Next 12 Months | 11.6% | 7.4% | 4.5% |

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[a] Relatives are the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

u 7475-2 (A)

# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

DECEMBER 1981

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

# TABLES AND CHARTS

## DECEMBER 1981

The December 1981 survey is the 159th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

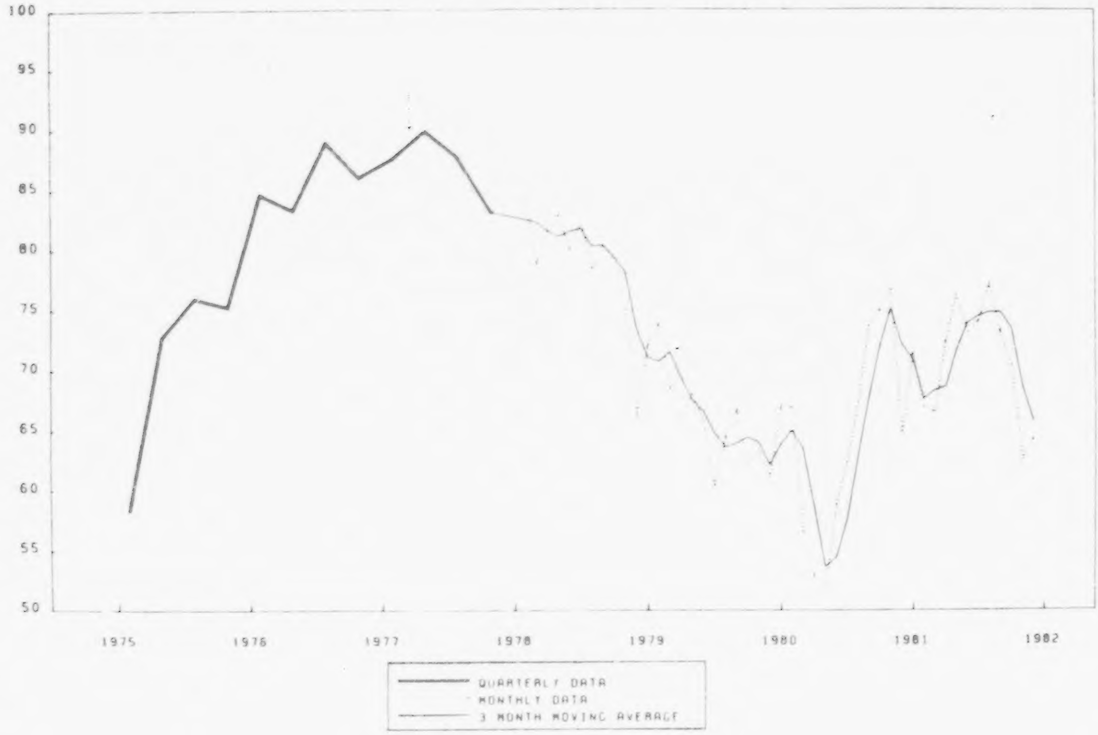
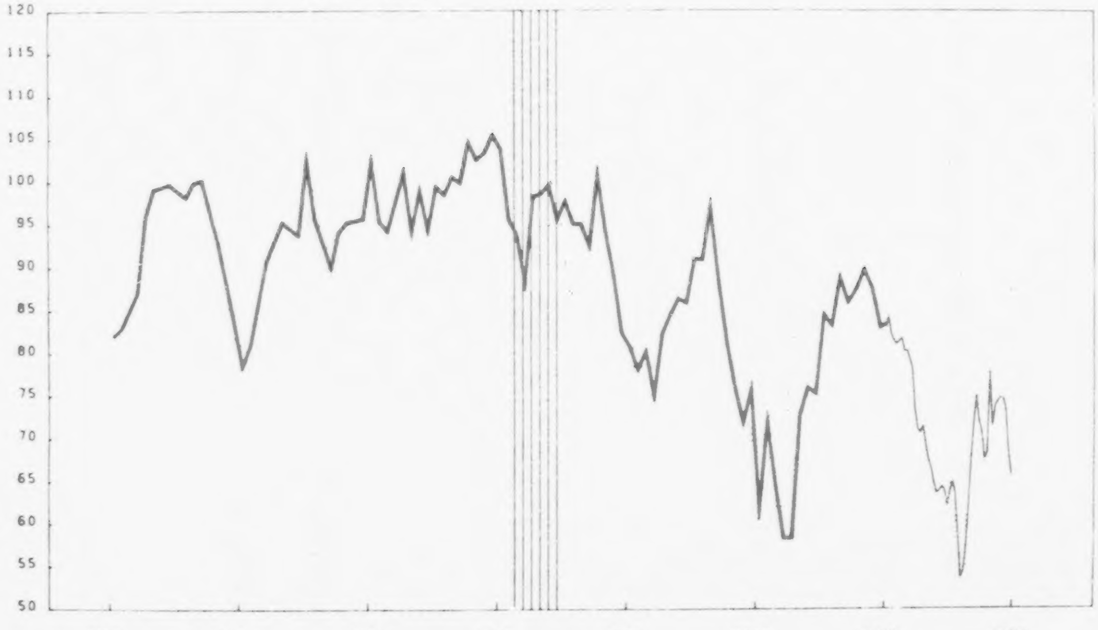


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## TABLE 1

## THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|
| December 1978 | 66.1 | 73.8 | 76.8 |
| January 1979 | 72.1 | 83.7 | 84.8 |
| February 1979 | 73.9 | 84.3 | 86.6 |
| March 1979 | 68.4 | 75.3 | 73.6 |
| April 1979 | 66.0 | 73.7 | 77.0 |
| May 1979 | 68.1 | 73.5 | 76.7 |
| June 1979 | 65.8 | 71.8 | 72.9 |
| July 1979 | 60.4 | 67.2 | 68.0 |
| August 1979 | 64.5 | 70.0 | 71.3 |
| September 1979 | 66.7 | 71.6 | 74.4 |
| October 1979 | 62.1 | 65.6 | 65.5 |
| November 1979 | 63.3 | 68.3 | 69.9 |
| December 1979 | 61.0 | 66.2 | 73.2 |
| January 1980 | 67.0 | 70.8 | 70.9 |
| February 1980 | 66.9 | 70.8 | 73.5 |
| March 1980 | 56.5 | 62.3 | 64.5 |
| April 1980 | 52.7 | 54.2 | 57.2 |
| May 1980 | 51.7 | 55.2 | 53.3 |
| June 1980 | 58.7 | 61.6 | 63.7 |
| July 1980 | 62.3 | 67.6 | 67.3 |
| August 1980 | 67.3 | 70.9 | 74.2 |
| September 1980 | 73.7 | 78.1 | 78.5 |
| October 1980 | 75.0 | 76.3 | 78.7 |
| November 1980 | 76.7 | 82.7 | 87.5 |
| December 1980 | 64.5 | 66.9 | 68.6 |
| January 1981 | 71.4 | 74.8 | 77.1 |
| February 1981 | 66.9 | 74.2 | 77.5 |
| March 1981 | 66.5 | 72.1 | 73.7 |
| April 1981 | 72.4 | 77.1 | 78.0 |
| May 1981 | 76.3 | 80.8 | 85.0 |
| June 1981 | 73.1 | 81.2 | 82.9 |
| July 1981 | 74.1 | 80.8 | 82.1 |
| August 1981 | 77.2 | 82.7 | 85.0 |
| September 1981 | 73.1 | 75.2 | 73.3 |
| October 1981 | 70.3 | 74.5 | 77.9 |
| November 1981 | 62.5 | 67.2 | 66.3 |
| December 1981 | 64.3 | 71.0 | 71.1 |

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

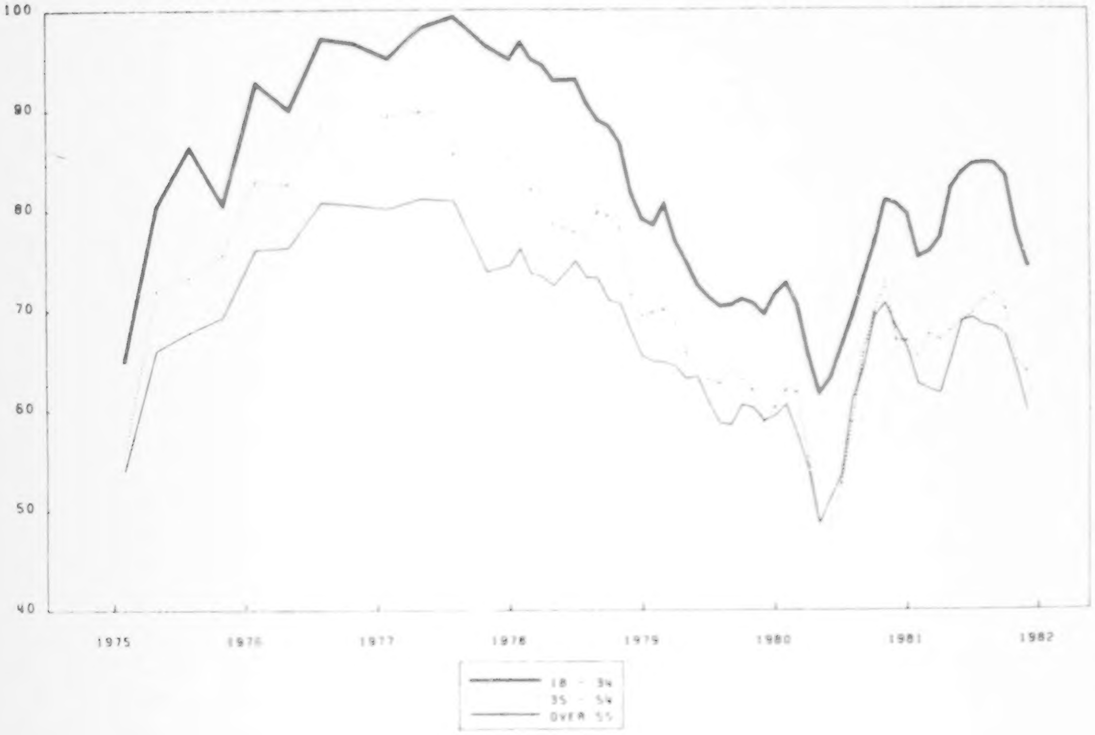
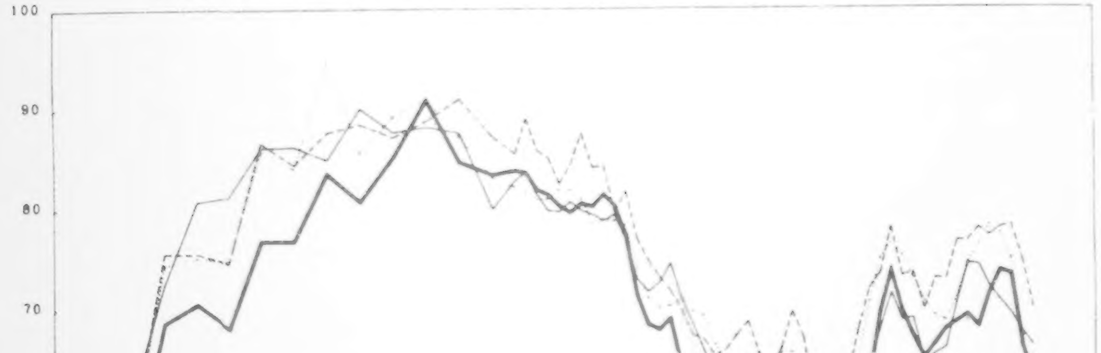


CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS



## TABLE 2

## INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| DATE OF SURVEY | | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|---|
| | | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| December | 1978 | 62.1 | 65.6 | 67.5 | 71.4 | 71.7 | 63.9 | 63.6 |
| January | 1979 | 73.5 | 76.4 | 69.3 | 70.6 | 82.7 | 70.6 | 63.2 |
| February | 1979 | 68.0 | 75.8 | 73.5 | 77.5 | 80.9 | 74.6 | 67.7 |
| March | 1979 | 65.5 | 71.3 | 68.0 | 67.4 | 77.9 | 64.7 | 63.3 |
| April | 1979 | 58.1 | 65.6 | 71.9 | 64.8 | 71.5 | 66.4 | 61.8 |
| May | 1979 | 64.9 | 68.2 | 69.1 | 69.6 | 74.6 | 65.3 | 64.1 |
| June | 1979 | 66.8 | 63.3 | 66.8 | 66.3 | 71.2 | 62.9 | 63.9 |
| July | 1979 | 60.4 | 58.0 | 63.3 | 59.7 | 67.7 | 60.9 | 54.1 |
| August | 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September | 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October | 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November | 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December | 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January | 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February | 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March | 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April | 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May | 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June | 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July | 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August | 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September | 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October | 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November | 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December | 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January | 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February | 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March | 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April | 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May | 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June | 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July | 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August | 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September | 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October | 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November | 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December | 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

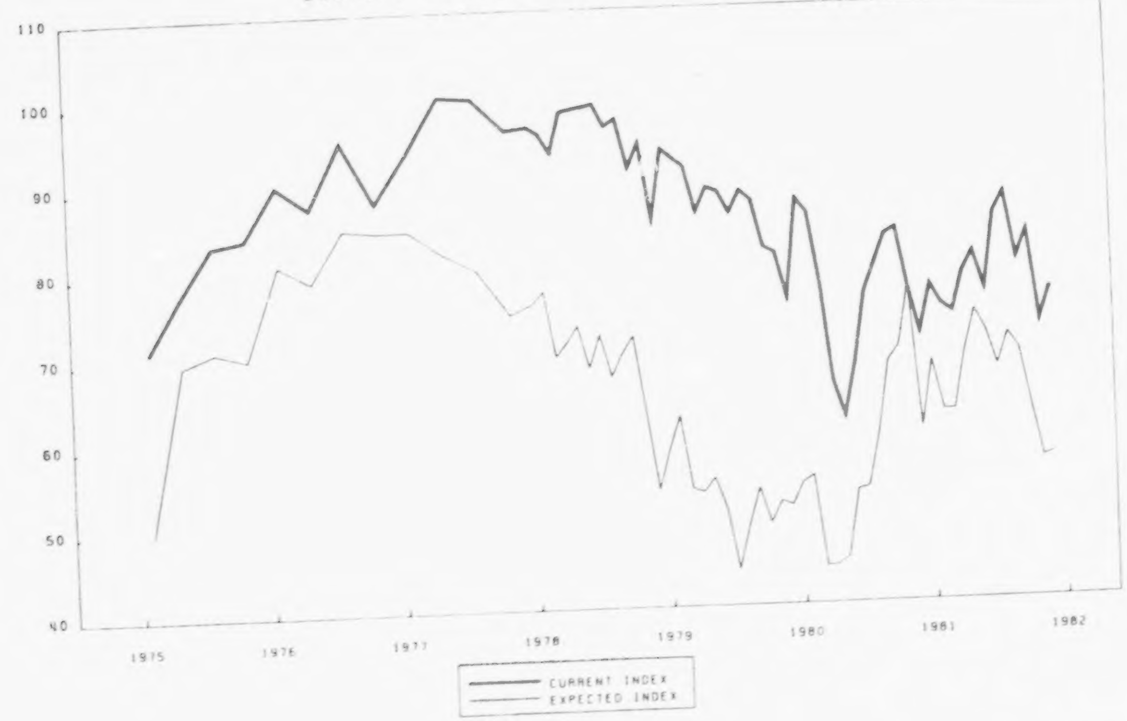


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

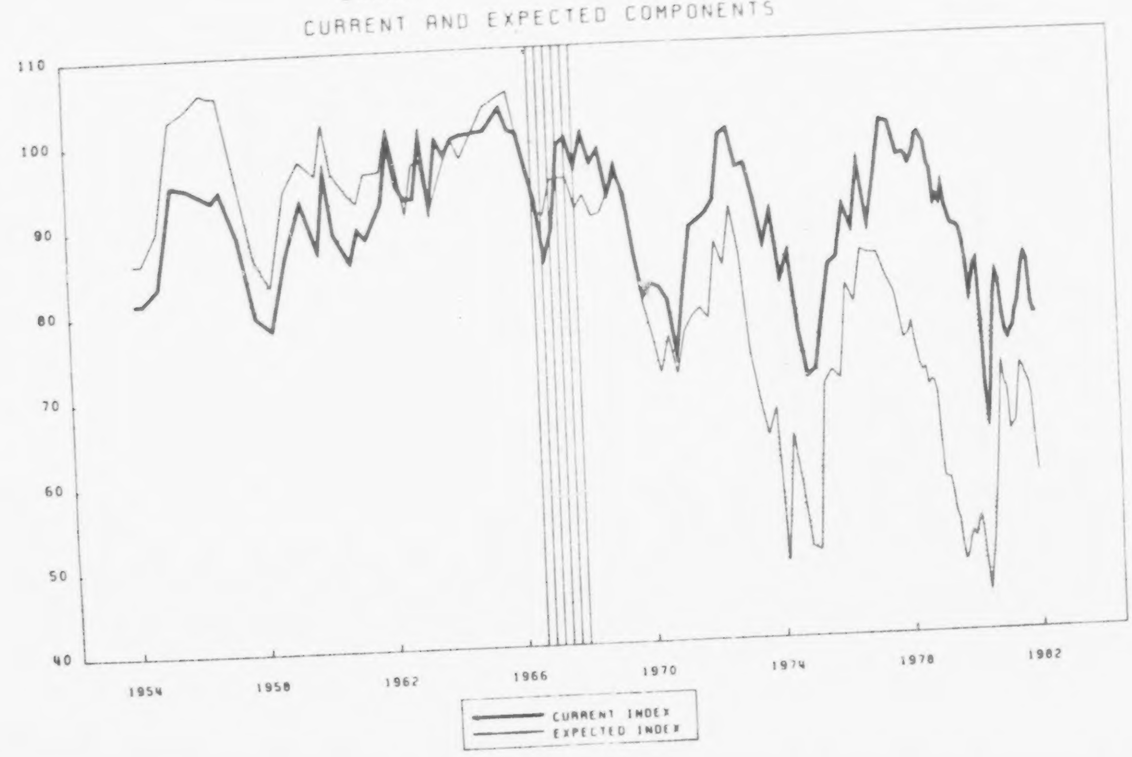


TABLE 3

## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | | | |
| | Current | Expected | 12 months | 5 years | Buying conds. | Current Index | Expected Index |
| DATE OF SURVEY | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| December 1978 | 95 | 96 | 61 | 53 | 123 | 85.2 | 53.8 |
| January 1979 | 101 | 99 | 72 | 58 | 139 | 93.3 | 58.4 |
| February 1979 | 98 | 98 | 75 | 71 | 138 | 92.2 | 62.2 |
| March 1979 | 96 | 99 | 57 | 53 | 138 | 91.2 | 53.7 |
| April 1979 | 85 | 90 | 63 | 55 | 134 | 85.9 | 53.3 |
| May 1979 | 91 | 95 | 58 | 62 | 136 | 88.7 | 54.9 |
| June 1979 | 92 | 91 | 54 | 55 | 134 | 88.2 | 51.4 |
| July 1979 | 90 | 92 | 39 | 40 | 130 | 85.7 | 44.2 |
| August 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

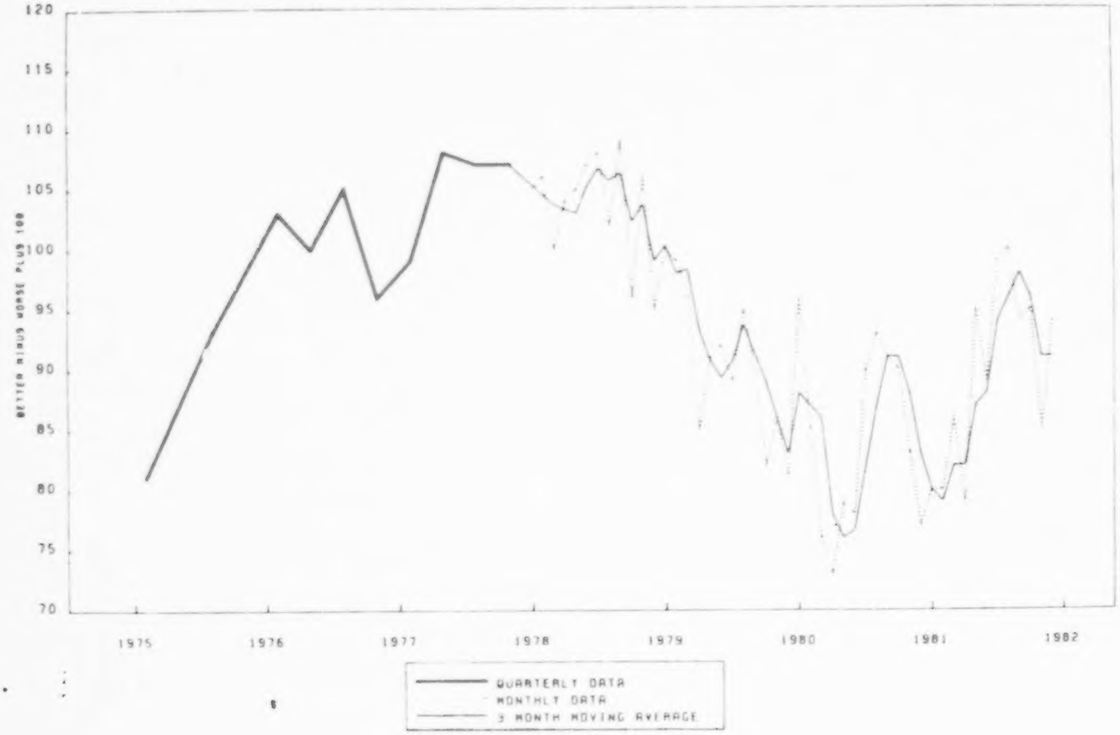
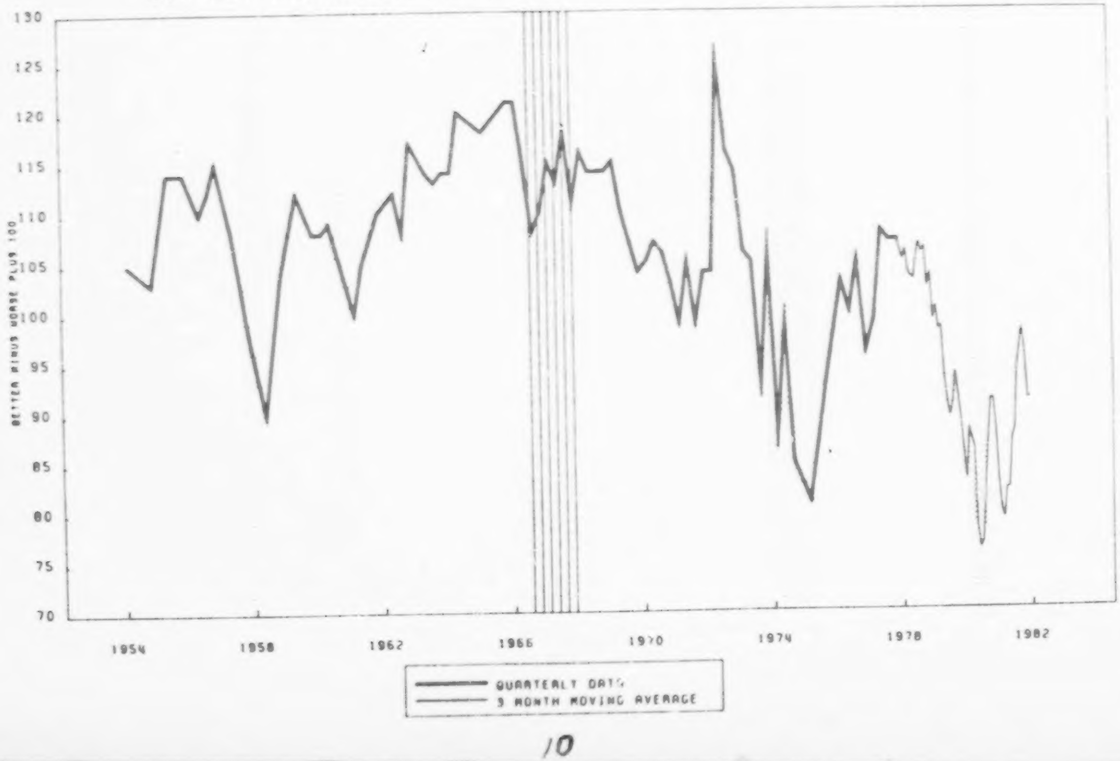


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 25% | 25% | 27% | 29% | 25% | 31% | 29% | 34% | 33% | 32% | 31% | 29% | 32% |
| SAME | 26 | 30 | 26 | 28 | 28 | 32 | 31 | 30 | 33 | 29 | 32 | 27 | 29 |
| WORSE OFF | 48 | 45 | 47 | 43 | 46 | 36 | 40 | 35 | 33 | 38 | 36 | 44 | 38 |
| DK,NA | 1 | * | * | * | 1 | 1 | * | 1 | 1 | 1 | 1 | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

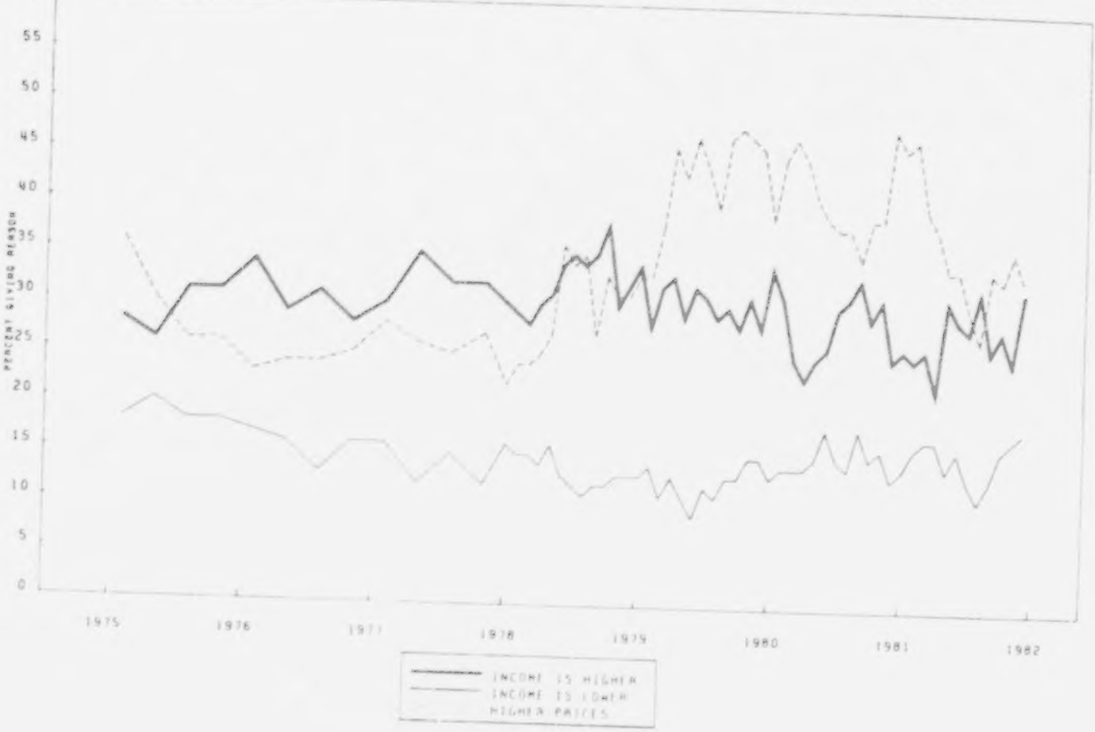
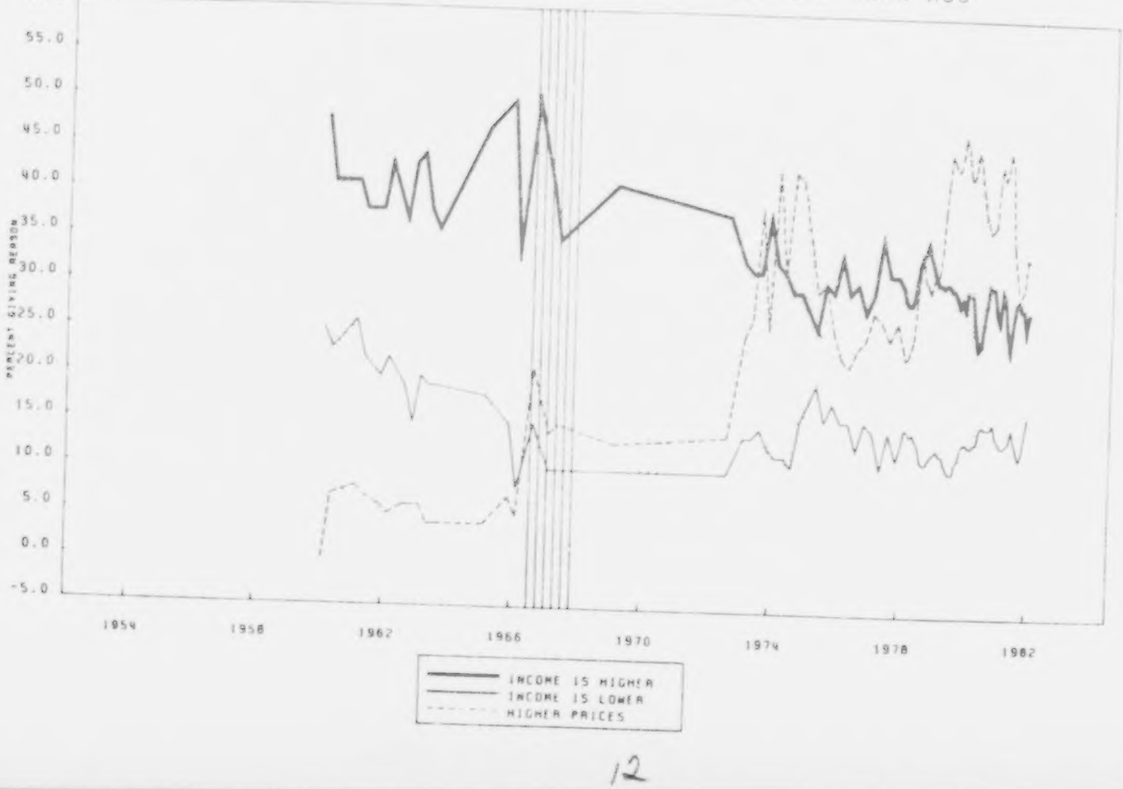


CHART 5 HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 25% | 26% | 25% | 26% | 22% | 31% | 29% | 28% | 32% | 26% | 28% | 25% | 32% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 13 | 14 | 16 | 17 | 17 | 14 | 16 | 13 | 11 | 13 | 16 | 17 | 18 |
| Higher prices | 48 | 46 | 47 | 40 | 38 | 34 | 34 | 30 | 27 | 34 | 33 | 36 | 33 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

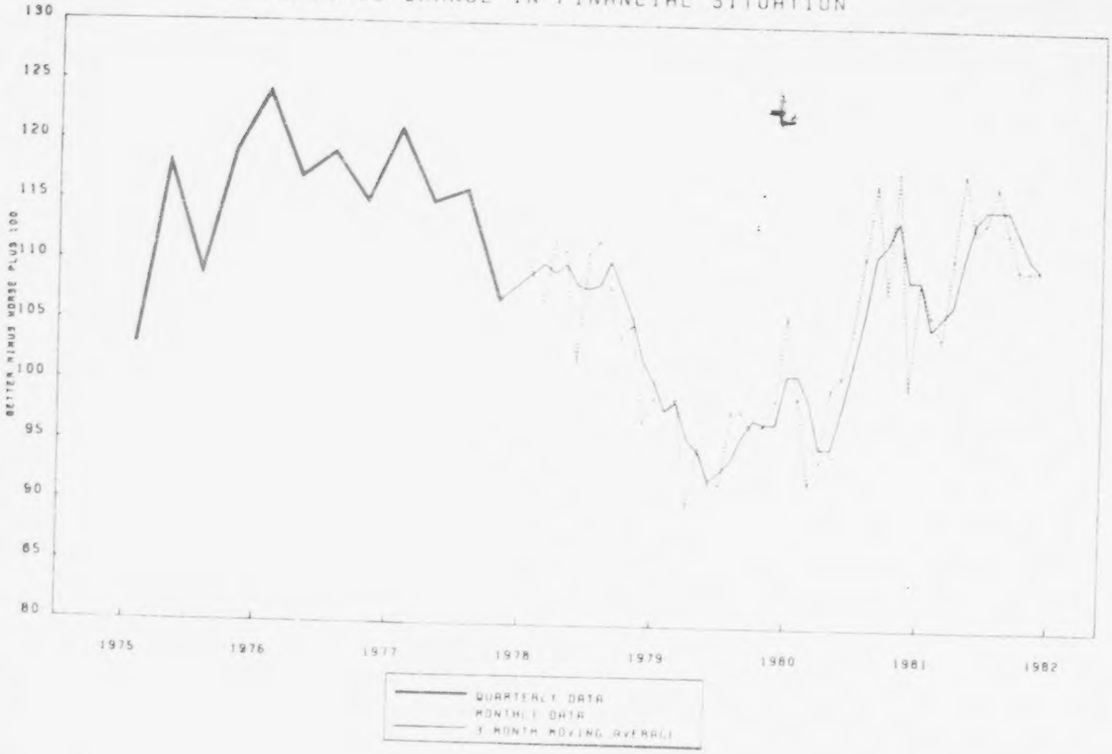


CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

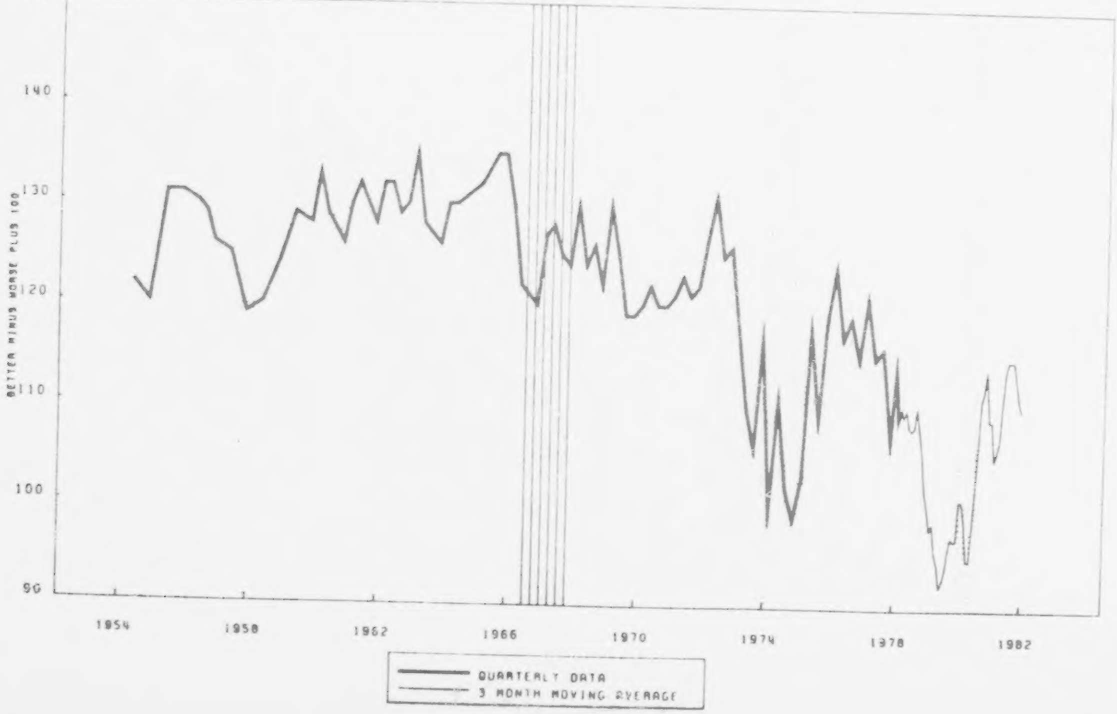


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 25% | 27% | 26% | 28% | 30% | 34% | 32% | 29% | 34% | 31% | 29% | 30% | 30% |
| SAME | 45 | 48 | 48 | 45 | 47 | 48 | 44 | 52 | 46 | 45 | 49 | 46 | 48 |
| WORSE OFF | 25 | 18 | 20 | 24 | 19 | 16 | 19 | 15 | 17 | 18 | 19 | 20 | 20 |
| DK,NA | 5 | 7 | 6 | 3 | 4 | 2 | 5 | 4 | 3 | 6 | 3 | 4 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

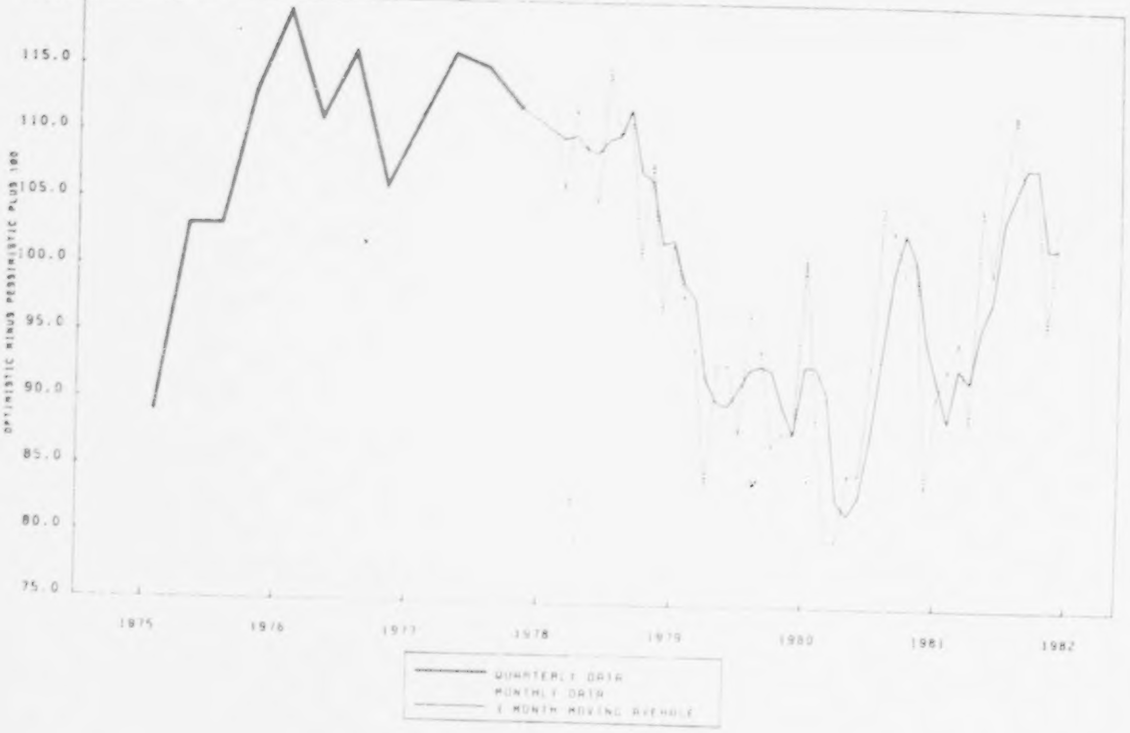
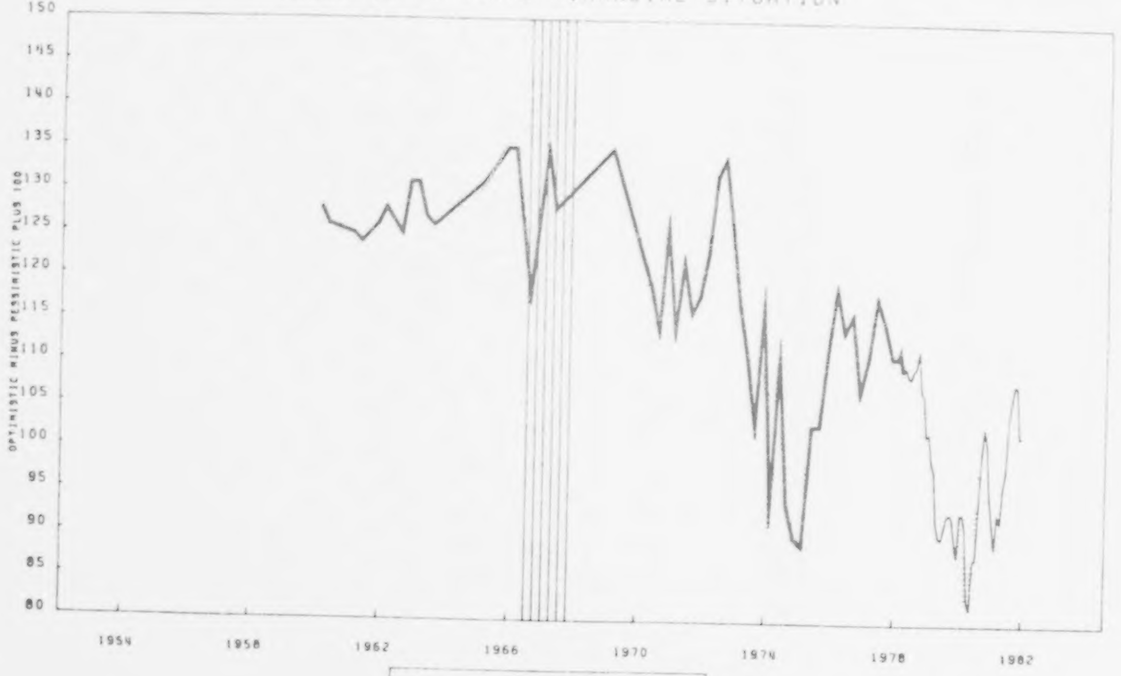


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

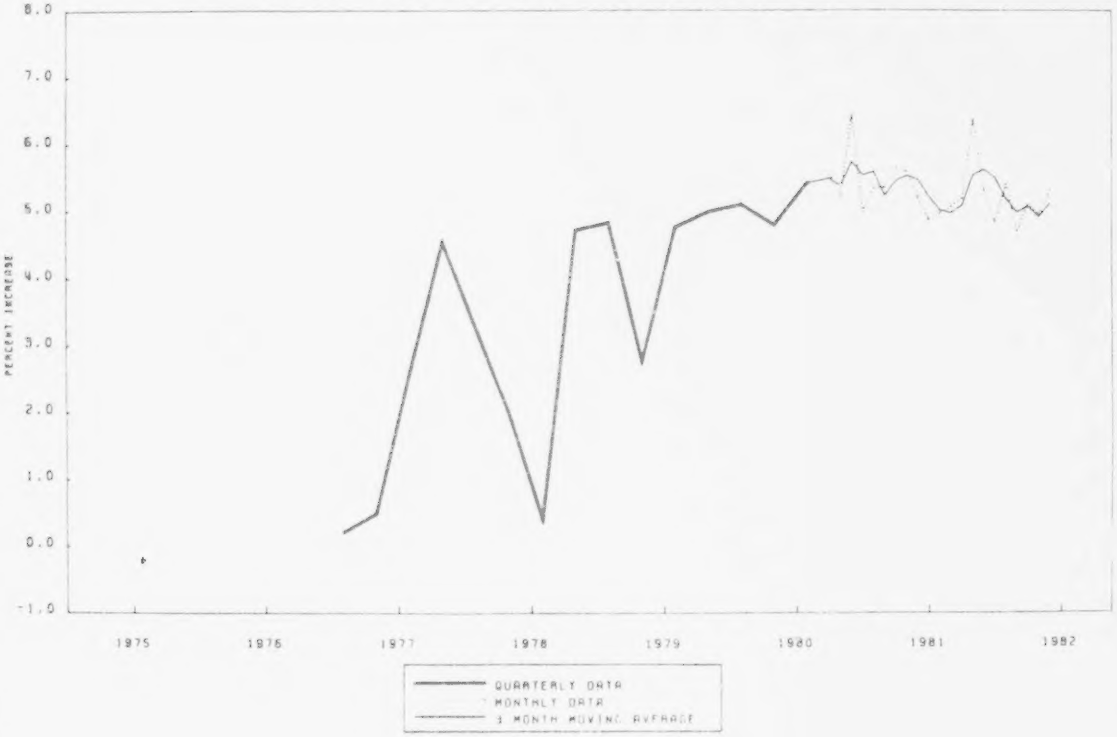
## TREND IN PERSONAL FINANCIAL SITUATION

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 9% | 10% | 8% | 12% | 11% | 15% | 13% | 15% | 14% | 16% | 13% | 13% | 13% |
| Intermittent increase (b) | 18 | 17 | 20 | 19 | 16 | 23 | 22 | 22 | 25 | 19 | 21 | 19 | 25 |
| Remain unchanged (c) | 12 | 16 | 15 | 15 | 14 | 15 | 14 | 19 | 18 | 17 | 21 | 14 | 14 |
| Intermittent decline (d) | 28 | 25 | 23 | 22 | 27 | 25 | 24 | 21 | 18 | 19 | 15 | 23 | 22 |
| Continuous decline (e) | 15 | 11 | 12 | 14 | 11 | 8 | 11 | 9 | 9 | 11 | 13 | 13 | 12 |
| Mixed change (f) | 13 | 14 | 16 | 14 | 15 | 12 | 11 | 9 | 12 | 12 | 14 | 14 | 11 |
| DK,NA | 5 | 7 | 6 | 4 | 6 | 2 | 5 | 5 | 4 | 6 | 3 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME



## TABLE 8

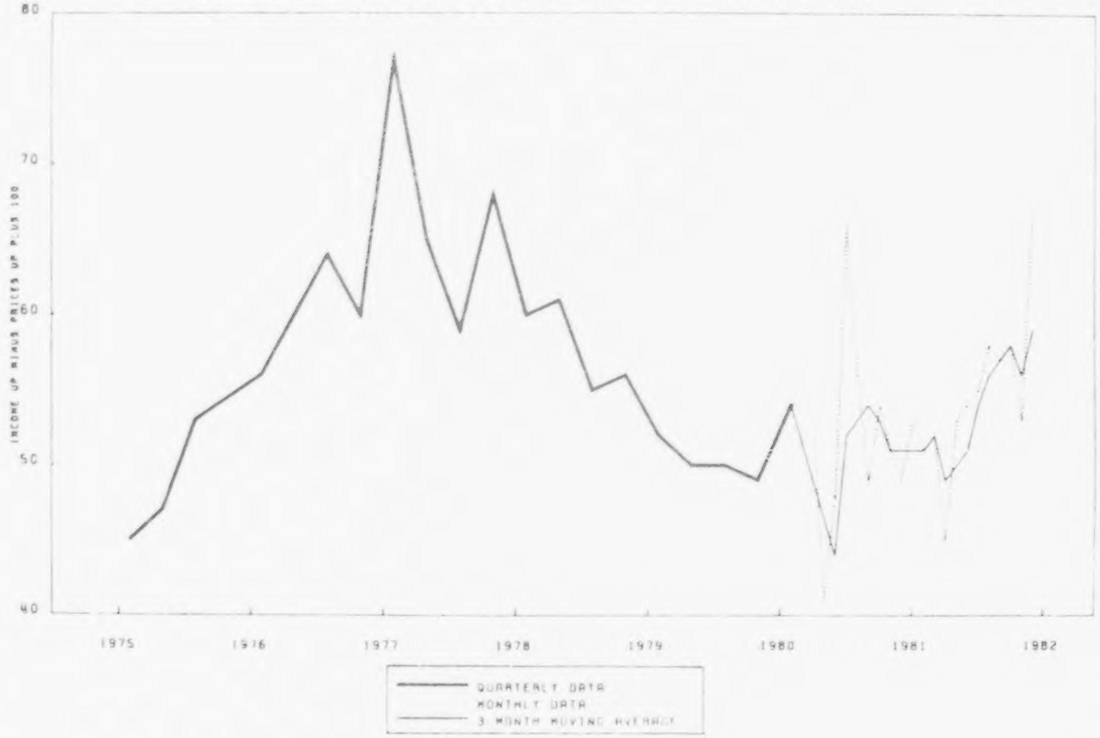
## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 8% | 6% | 8% | 7% | 6% | 6% | 6% | 7% | 5% | 6% | 6% | 5% | 5% |
| 5% | 7 | 8 | 7 | 9 | 8 | 10 | 10 | 7 | 8 | 9 | 10 | 9 | 9 |
| 6-9% | 12 | 10 | 10 | 11 | 11 | 11 | 10 | 10 | 9 | 10 | 13 | 8 | 10 |
| 10-24% | 22 | 21 | 20 | 21 | 22 | 28 | 25 | 21 | 27 | 23 | 21 | 23 | 24 |
| 25% or more | 7 | 6 | 7 | 7 | 7 | 8 | 7 | 10 | 6 | 6 | 6 | 8 | 8 |
| DK how much up | 8 | 9 | 9 | 9 | 9 | 7 | 7 | 5 | 6 | 6 | 6 | 4 | 6 |
| EXPECT SAME | 22 | 24 | 24 | 21 | 25 | 19 | 21 | 24 | 26 | 27 | 24 | 25 | 21 |
| EXPECT DOWN | 11 | 12 | 11 | 12 | 10 | 8 | 11 | 13 | 9 | 12 | 12 | 15 | 15 |
| DK,NA | 3 | 4 | 4 | 3 | 2 | 3 | 3 | 3 | 4 | 1 | 2 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR



## TABLE 9

## PAST CHANGE IN REAL FAMILY INCOME

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 11% | 13% | 10% | 13% | 9% | 12% | 13% | 13% | 14% | 13% | 13% | 12% | 17% |
| INCOME UP SAME | 24 | 25 | 28 | 24 | 26 | 28 | 26 | 25 | 29 | 31 | 30 | 27 | 32 |
| PRICES UP MORE | 62 | 60 | 59 | 61 | 64 | 59 | 59 | 58 | 56 | 56 | 55 | 59 | 50 |
| DK,NA | 3 | 2 | 3 | 2 | 1 | 1 | 2 | 4 | 1 | * | 2 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

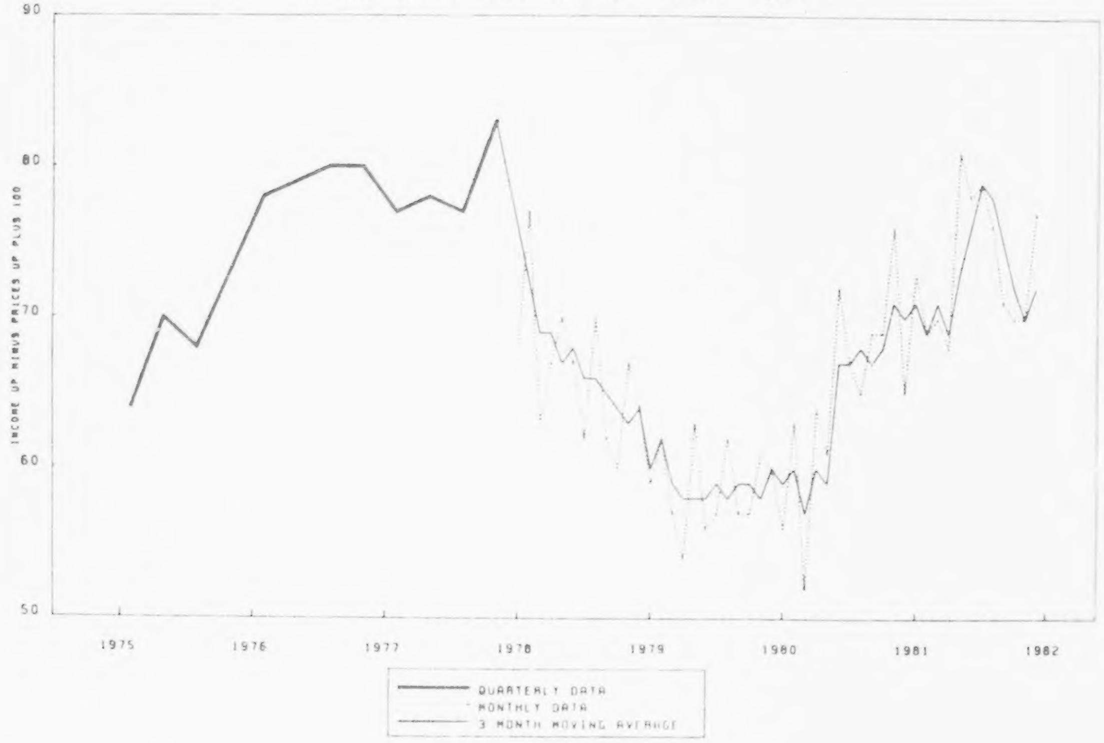


CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

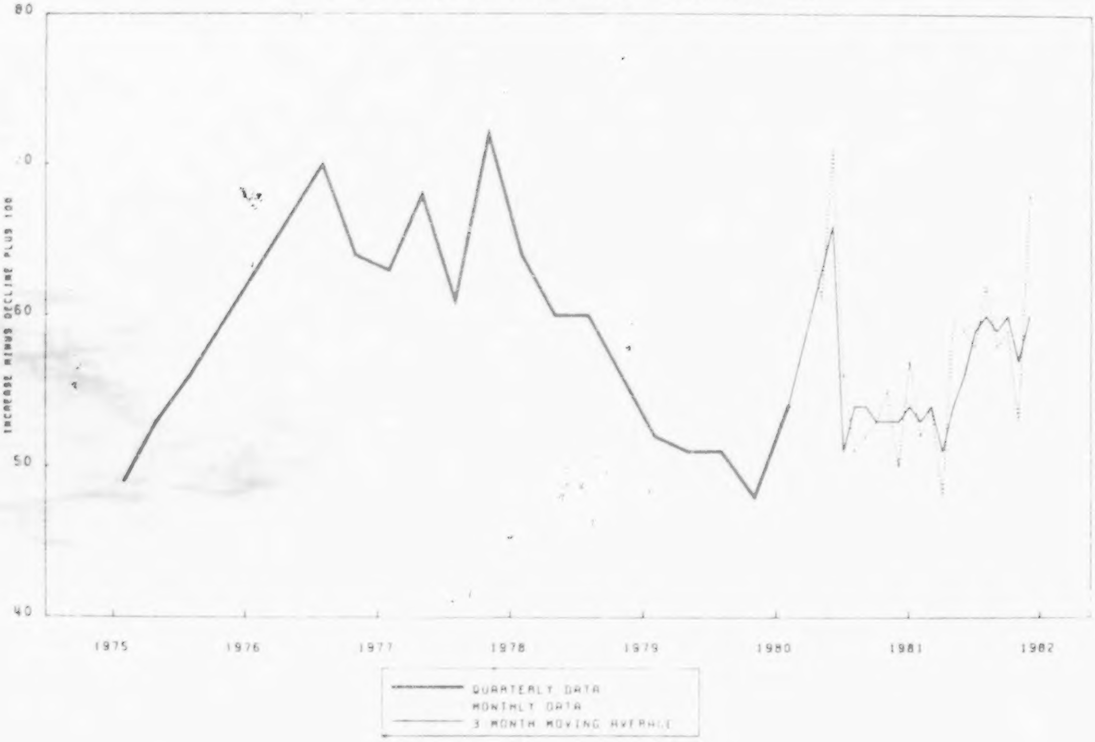
## TABLE 10

## EXPECTED CHANGE IN REAL FAMILY INCOME

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 12% | 14% | 11% | 14% | 13% | 19% | 16% | 17% | 16% | 13% | 14% | 13% | 17% |
| INCOME UP SAME | 36 | 39 | 43 | 38 | 39 | 41 | 43 | 41 | 40 | 42 | 40 | 41 | 41 |
| PRICES UP MORE | 47 | 41 | 42 | 44 | 45 | 38 | 38 | 38 | 40 | 42 | 44 | 43 | 40 |
| DK,NA | 5 | 6 | 4 | 4 | 3 | 2 | 3 | 4 | 4 | 3 | 2 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

## TREND IN FAMILY INCOME AND PRICES COMPARISONS

|  | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Continuous increase (a) | 5% | 6% | 4% | 6% | 4% | 6% | 6% | 8% | 7% | 5% | 5% | 5% | 8% |
| Intermittent increase (b) | 7 | 8 | 8 | 9 | 7 | 10 | 10 | 7 | 8 | 11 | 10 | 8 | 12 |
| Remain unchanged (c) | 14 | 17 | 18 | 14 | 17 | 16 | 17 | 16 | 20 | 19 | 18 | 17 | 19 |
| Intermittent decline (d) | 24 | 22 | 25 | 26 | 25 | 25 | 25 | 25 | 21 | 24 | 21 | 26 | 22 |
| Continuous decline (e) | 38 | 35 | 35 | 35 | 38 | 31 | 32 | 32 | 32 | 34 | 35 | 34 | 30 |
| Mixed change (f) | 6 | 6 | 5 | 5 | 6 | 9 | 6 | 7 | 8 | 4 | 8 | 6 | 6 |
| DK,NA | 6 | 6 | 5 | 5 | 3 | 3 | 4 | 5 | 4 | 3 | 3 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

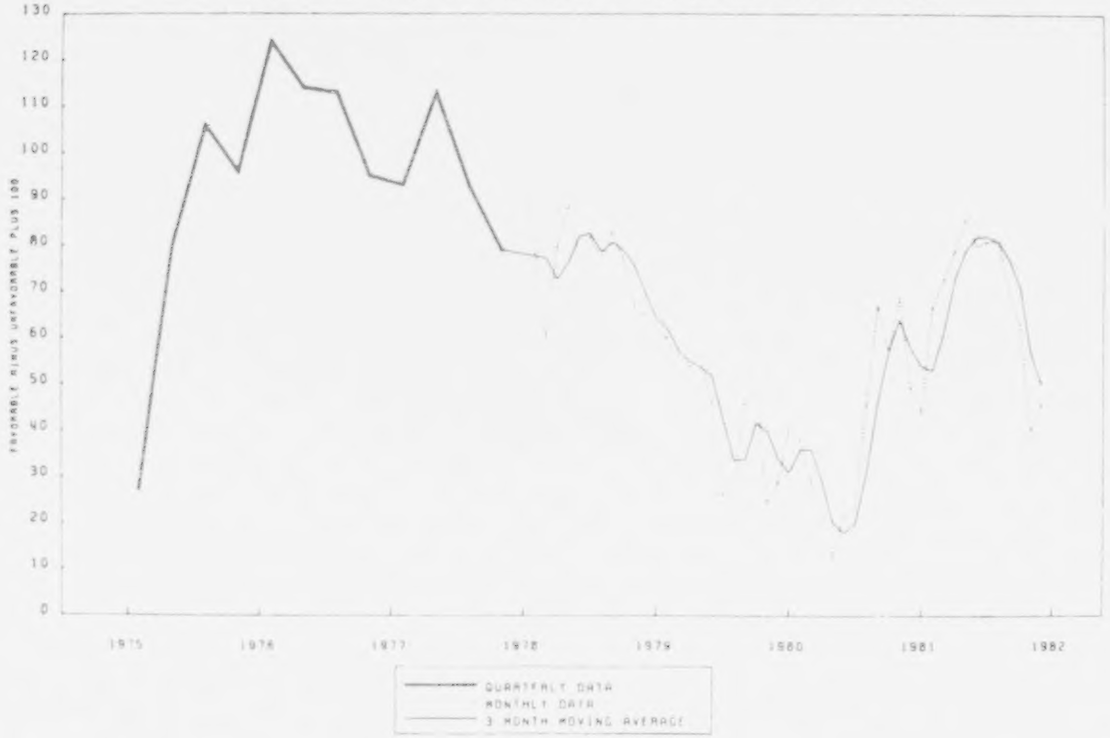
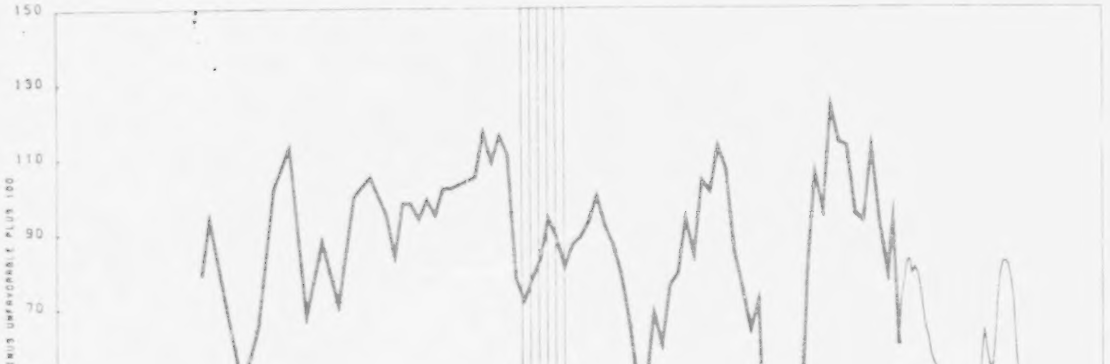


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 17% | 19% | 23% | 30% | 28% | 31% | 24% | 27% | 28% | 24% | 22% | 14% | 23% |
| UNFAVORABLE NEWS | 68 | 75 | 56 | 57 | 49 | 45 | 44 | 46 | 47 | 55 | 59 | 74 | 77 |
| NO MENTIONS | 44 | 39 | 46 | 42 | 47 | 47 | 52 | 51 | 48 | 47 | 45 | 43 | 37 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

## TABLE 13

## SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 4% | 4% | 9% | 9% | 6% | 4% | 6% | 4% | 7% | 8% | 5% | 3% | 4% |
| Employment | 5 | 4 | 5 | 8 | 7 | 8 | 4 | 7 | 8 | 6 | 4 | 2 | 4 |
| Consumer demand high | 1 | 2 | 1 | 1 | 3 | 4 | 1 | 3 | 2 | 1 | 1 | 1 | 1 |
| Prices are low | * | * | 1 | 1 | 2 | 2 | 3 | 4 | 2 | * | 1 | * | 1 |
| Credit is easy | * | 3 | 3 | 4 | 5 | 2 | 2 | 2 | 2 | 2 | 3 | 4 | 10 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 2 | 4 | 5 | 7 | 7 | 4 | 4 | 5 | 6 | 5 | 5 | 3 | 4 |
| Unemployment | 18 | 19 | 15 | 19 | 19 | 14 | 16 | 16 | 17 | 19 | 20 | 28 | 32 |
| Consumer demand low | 11 | 14 | 9 | 10 | 6 | 6 | 3 | 4 | 5 | 3 | 6 | 10 | 11 |
| Prices are high | 8 | 11 | 10 | 6 | 6 | 4 | 5 | 5 | 3 | 5 | 3 | 7 | 4 |
| Credit is tight | 19 | 14 | 7 | 4 | 4 | 7 | 9 | 7 | 7 | 10 | 10 | 11 | 8 |
| Energy crisis | 1 | 1 | * | 1 | * | * | * | * | 1 | 1 | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

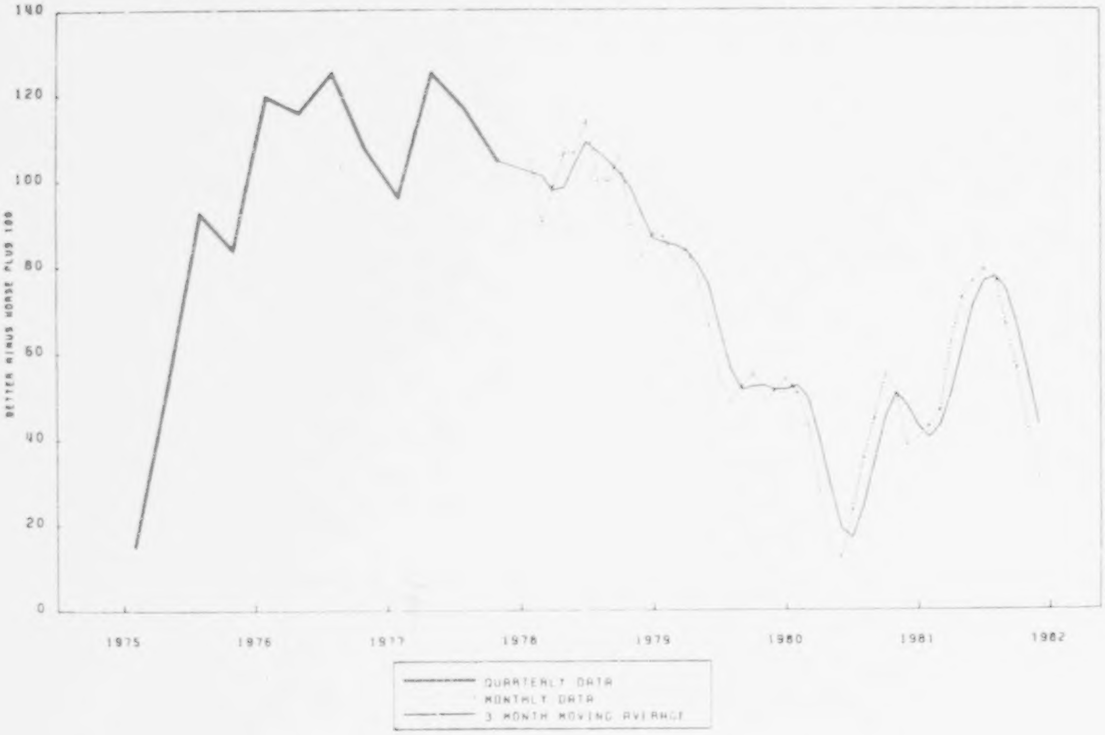
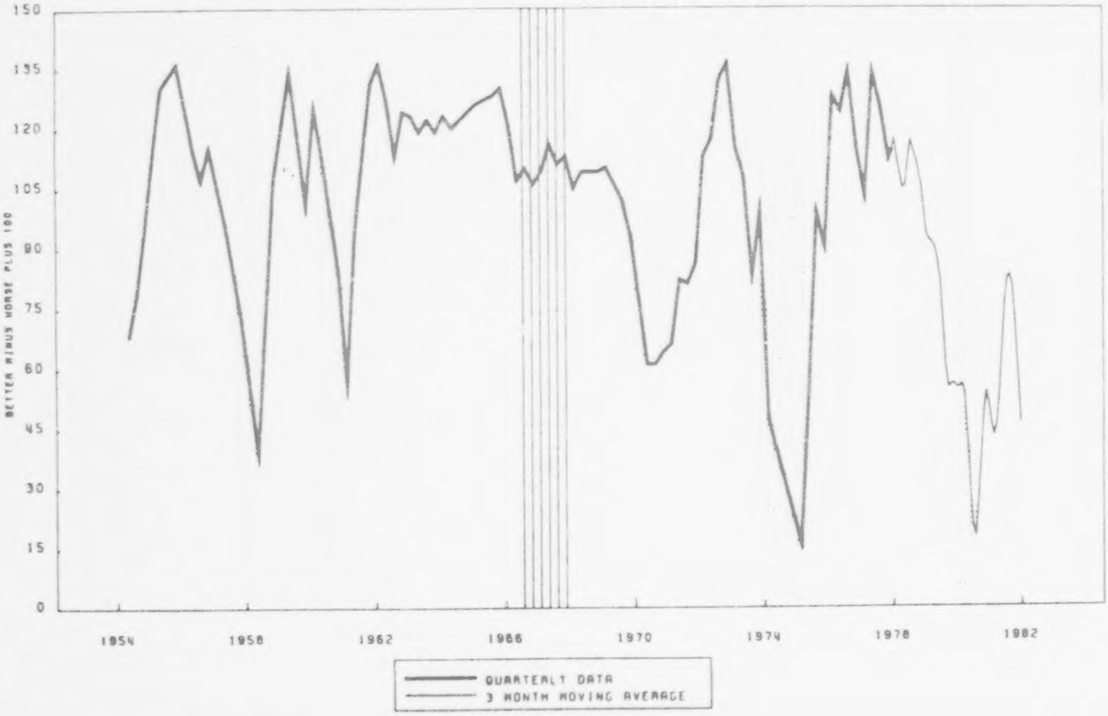


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | Dec. 1980 | Jan 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 13% | 14% | 14% | 17% | 24% | 30% | 31% | 32% | 33% | 28% | 23% | 15% | 13% |
| SAME | 12 | 13 | 15 | 14 | 17 | 17 | 18 | 18 | 15 | 12 | 12 | 12 | 6 |
| WORSE NOW | 72 | 71 | 68 | 67 | 57 | 52 | 49 | 47 | 50 | 57 | 63 | 70 | 80 |
| DK,NA | 3 | 2 | 3 | 2 | 2 | 1 | 2 | 3 | 2 | 3 | 2 | 3 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

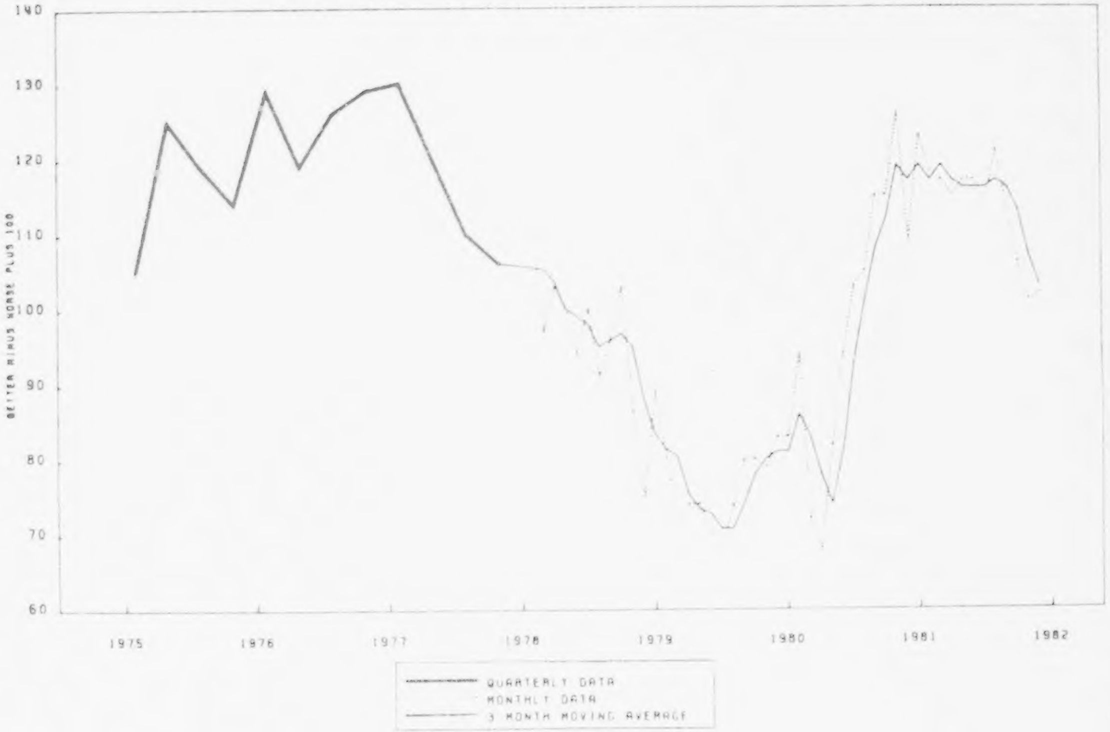
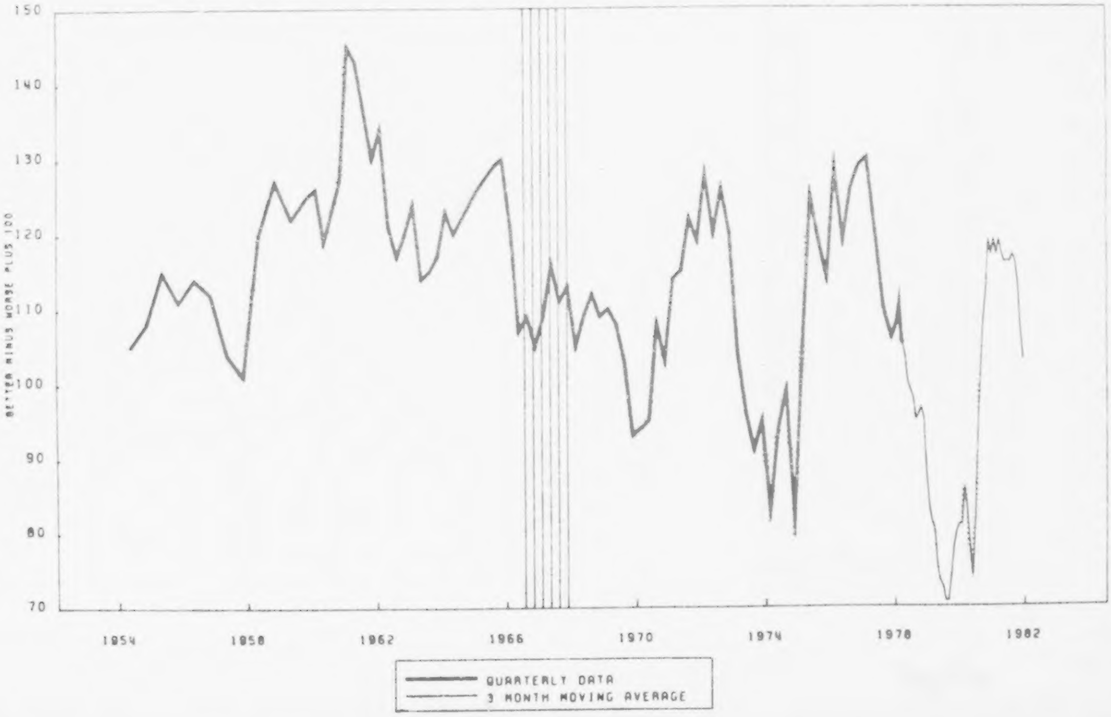


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 29% | 39% | 34% | 38% | 36% | 36% | 36% | 34% | 38% | 32% | 31% | 27% | 31% |
| SAME | 46 | 42 | 46 | 38 | 41 | 44 | 42 | 44 | 43 | 45 | 41 | 44 | 37 |
| WORSE | 20 | 16 | 16 | 21 | 21 | 19 | 19 | 20 | 17 | 19 | 25 | 26 | 29 |
| DK,NA | 5 | 3 | 4 | 3 | 2 | 1 | 3 | 2 | 2 | 4 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

## TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 27% | 35% | 32% | 32% | 31% | 25% | 25% | 21% | 29% | 24% | 19% | 15% | 15% |
| Employment | 3 | 4 | 2 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 6 | 3 | 2 |
| Higher consumer demand | 2 | 2 | 3 | 2 | 2 | 2 | 3 | 2 | 3 | 4 | 2 | 2 | 3 |
| Lower prices | 3 | 2 | 2 | 3 | 2 | 3 | 2 | 4 | 3 | 2 | 1 | 1 | 2 |
| Easier credit | 2 | 4 | 2 | 2 | 2 | 3 | 4 | 3 | 4 | 4 | 6 | 7 | 9 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 8 | 7 | 7 | 9 | 8 | 8 | 12 | 11 | 12 | 11 | 15 | 10 | 12 |
| Unemployment | 8 | 7 | 6 | 6 | 6 | 5 | 8 | 9 | 6 | 7 | 7 | 12 | 15 |
| Lower consumer demand | 6 | 5 | 4 | 4 | 5 | 4 | 4 | 5 | 3 | 6 | 4 | 6 | 7 |
| Higher prices | 10 | 8 | 12 | 8 | 10 | 6 | 8 | 7 | 4 | 9 | 7 | 8 | 8 |
| Tighter credit | 7 | 4 | 2 | 2 | 2 | 3 | 3 | 5 | 6 | 8 | 5 | 5 | 4 |
| Energy crisis | * | 1 | 1 | 1 | * | * | 1 | * | * | * | 1 | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

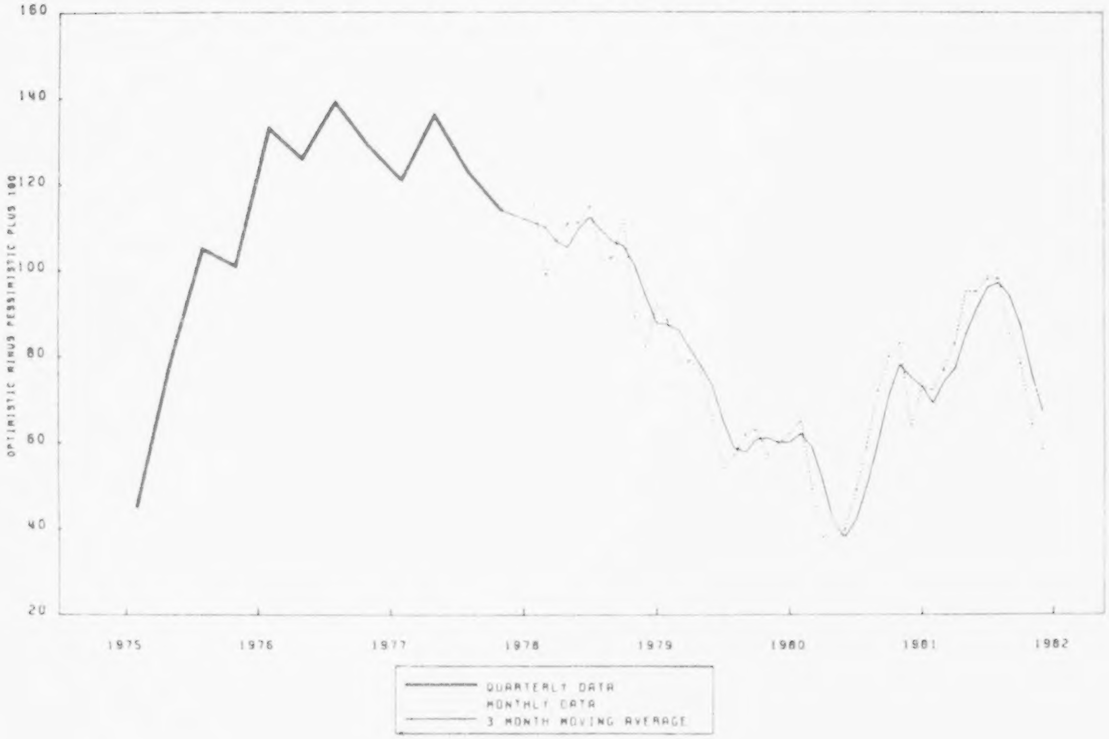
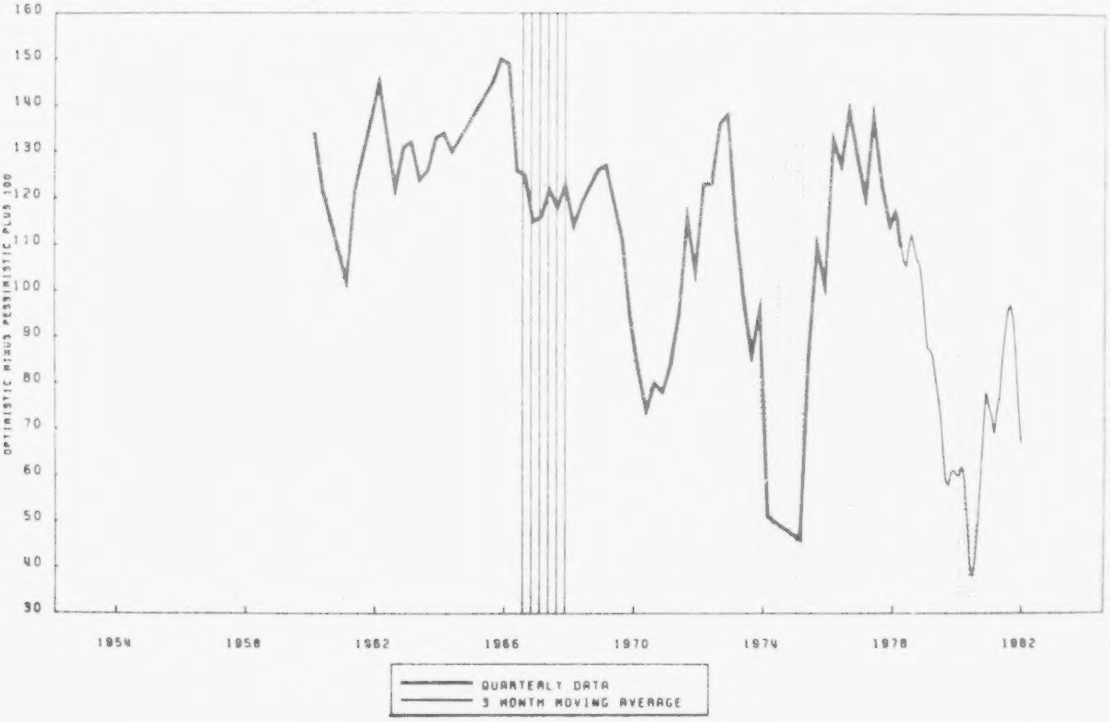


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



# TABLE 17

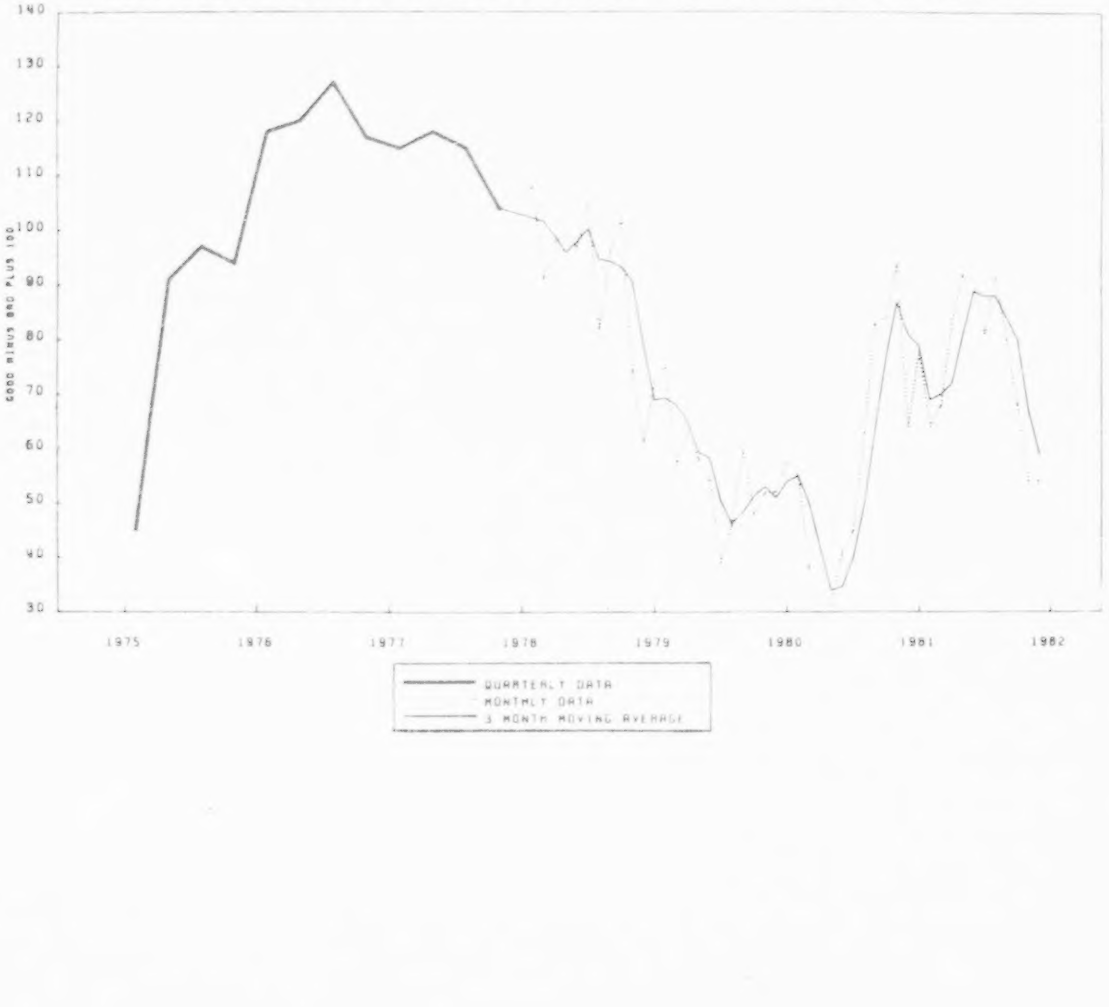
## TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 5% | 6% | 7% | 9% | 15% | 14% | 19% | 15% | 18% | 14% | 12% | 6% | 5% |
| Intermittent increase (b) | 10 | 11 | 12 | 12 | 13 | 17 | 16 | 21 | 17 | 16 | 14 | 11 | 8 |
| Remain unchanged (c) | 5 | 7 | 7 | 6 | 8 | 10 | 8 | 8 | 7 | 6 | 4 | 6 | 3 |
| Intermittent decline (d) | 36 | 30 | 33 | 27 | 29 | 24 | 25 | 24 | 25 | 29 | 27 | 31 | 29 |
| Continuous decline (e) | 16 | 14 | 14 | 17 | 16 | 12 | 15 | 14 | 12 | 16 | 21 | 22 | 26 |
| Mixed change (f) | 21 | 27 | 21 | 25 | 16 | 20 | 12 | 13 | 18 | 14 | 17 | 18 | 25 |
| DK,NA | 7 | 5 | 6 | 4 | 3 | 3 | 5 | 5 | 3 | 5 | 5 | 6 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 26% | 31% | 26% | 27% | 36% | 41% | 41% | 35% | 40% | 33% | 25% | 21% | 23% |
| UNCERTAIN; GOOD & BAD | 1 | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 4 | 3 | 3 | 4 | 2 |
| BAD TIMES | 62 | 53 | 62 | 59 | 53 | 49 | 50 | 54 | 48 | 53 | 57 | 67 | 69 |
| DON´T KNOW | 7 | 10 | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 6 | 8 | 6 | 4 |
| NOT ASCERTAINED | 4 | 4 | 4 | 5 | 2 | 2 | 2 | 4 | 3 | 5 | 7 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we´ll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

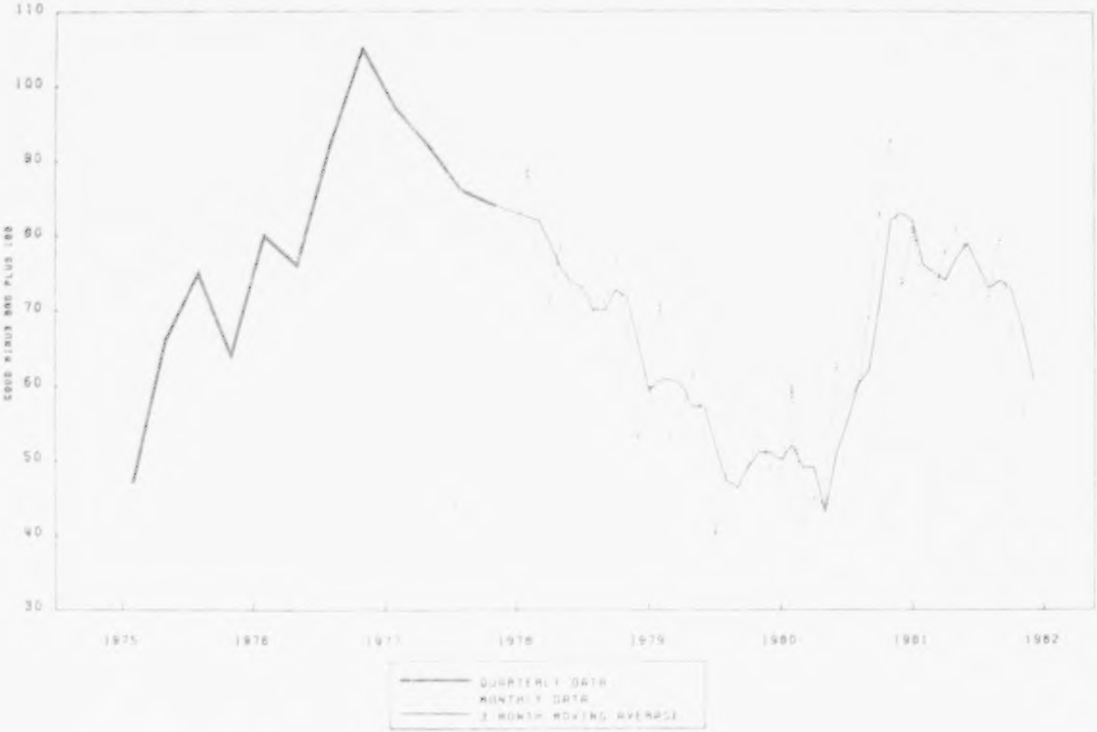
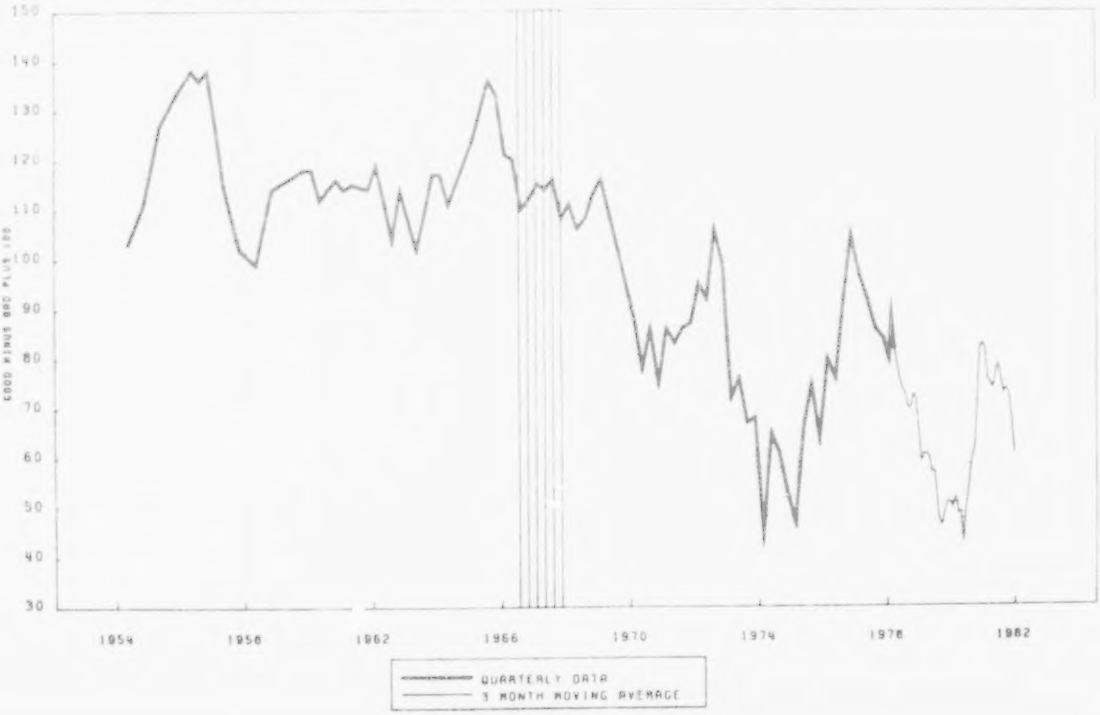


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 25% | 30% | 28% | 27% | 30% | 33% | 33% | 27% | 28% | 30% | 24% | 18% | 20% |
| UNCERTAIN; GOOD & BAD | 16 | 15 | 12 | 14 | 13 | 11 | 9 | 11 | 12 | 16 | 14 | 17 | 17 |
| BAD TIMES | 52 | 49 | 55 | 55 | 52 | 52 | 55 | 57 | 56 | 50 | 57 | 62 | 59 |
| NOT ASCERTAINED | 7 | 6 | 5 | 4 | 5 | 4 | 3 | 5 | 4 | 4 | 5 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we´ll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

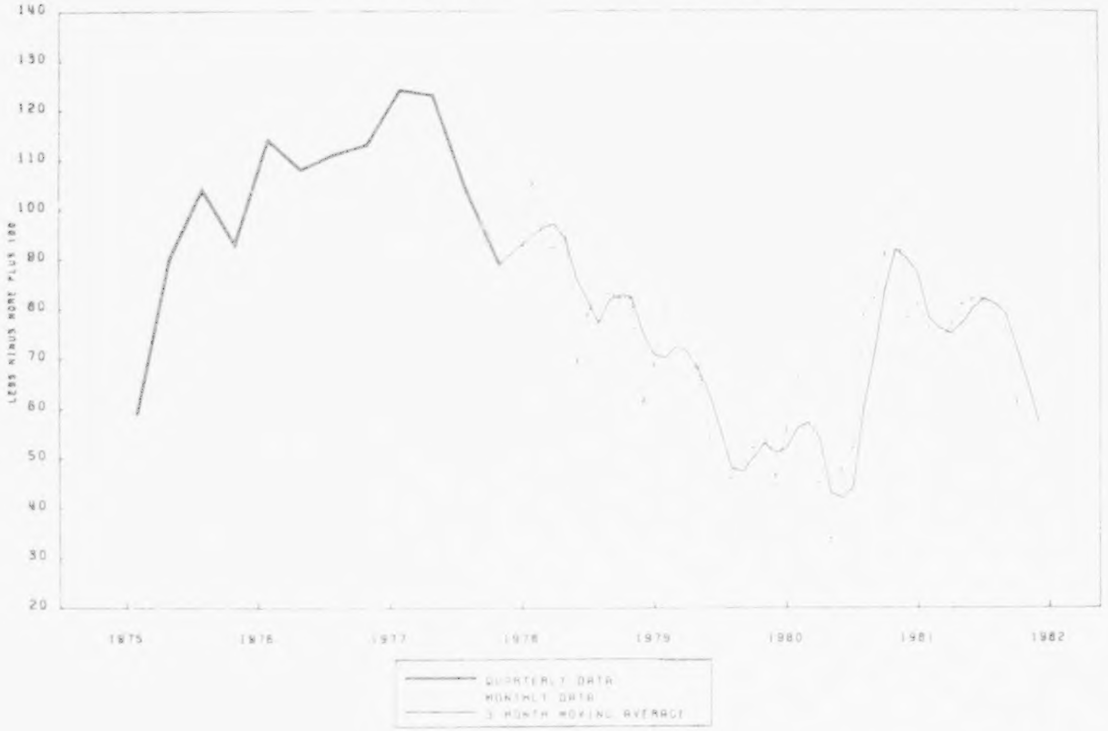
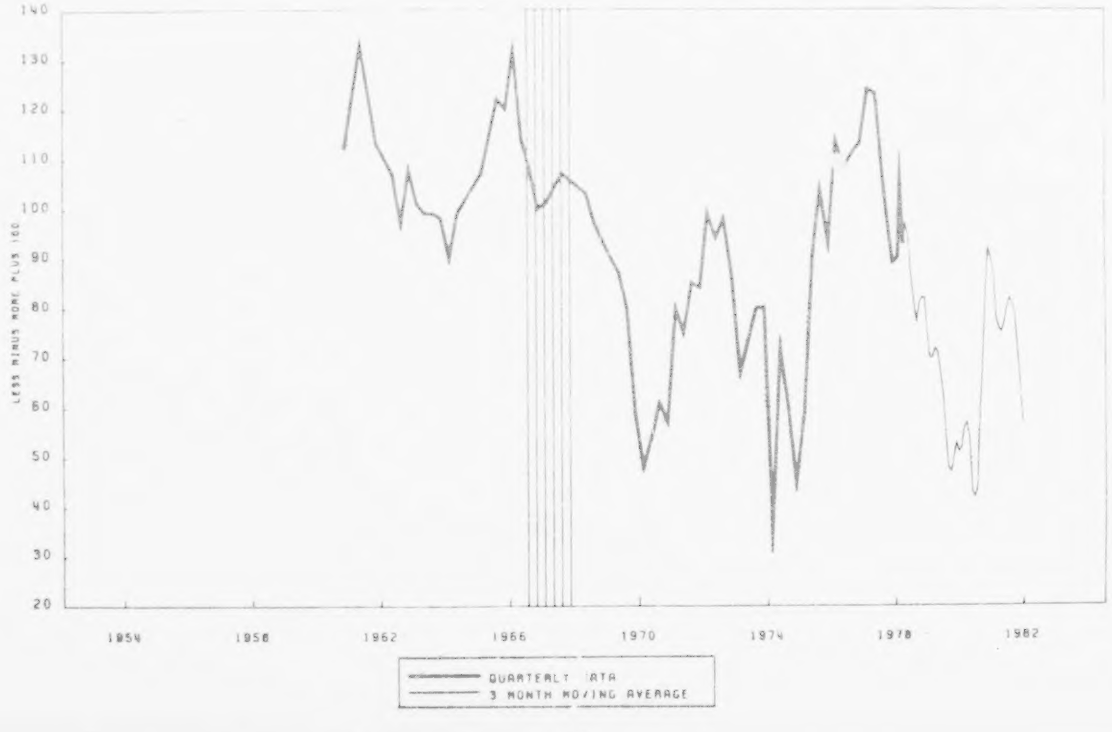


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 17% | 19% | 16% | 13% | 17% | 17% | 18% | 18% | 14% | 15% | 11% | 11% | 11% |
| SAME | 41 | 41 | 42 | 43 | 41 | 46 | 44 | 44 | 47 | 45 | 38 | 33 | 28 |
| MORE | 39 | 38 | 40 | 41 | 40 | 36 | 36 | 36 | 36 | 39 | 50 | 54 | 59 |
| DK,NA | 3 | 2 | 2 | 3 | 2 | 1 | 2 | 2 | 3 | 1 | 1 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

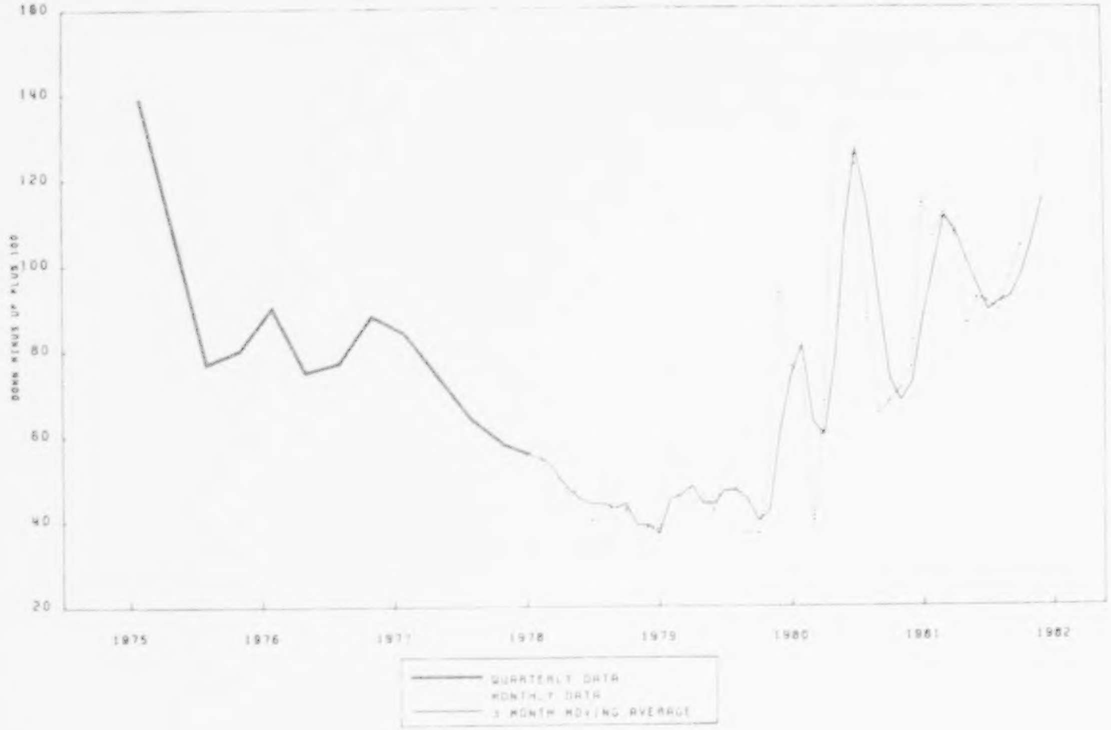
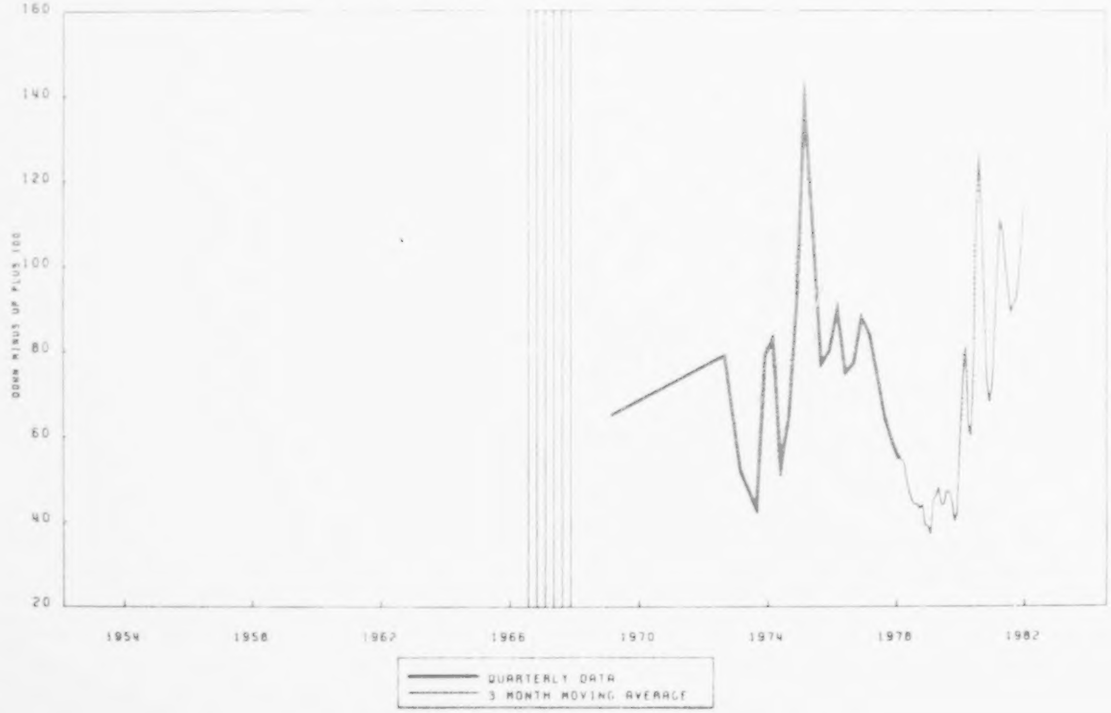


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES



## TABLE 21

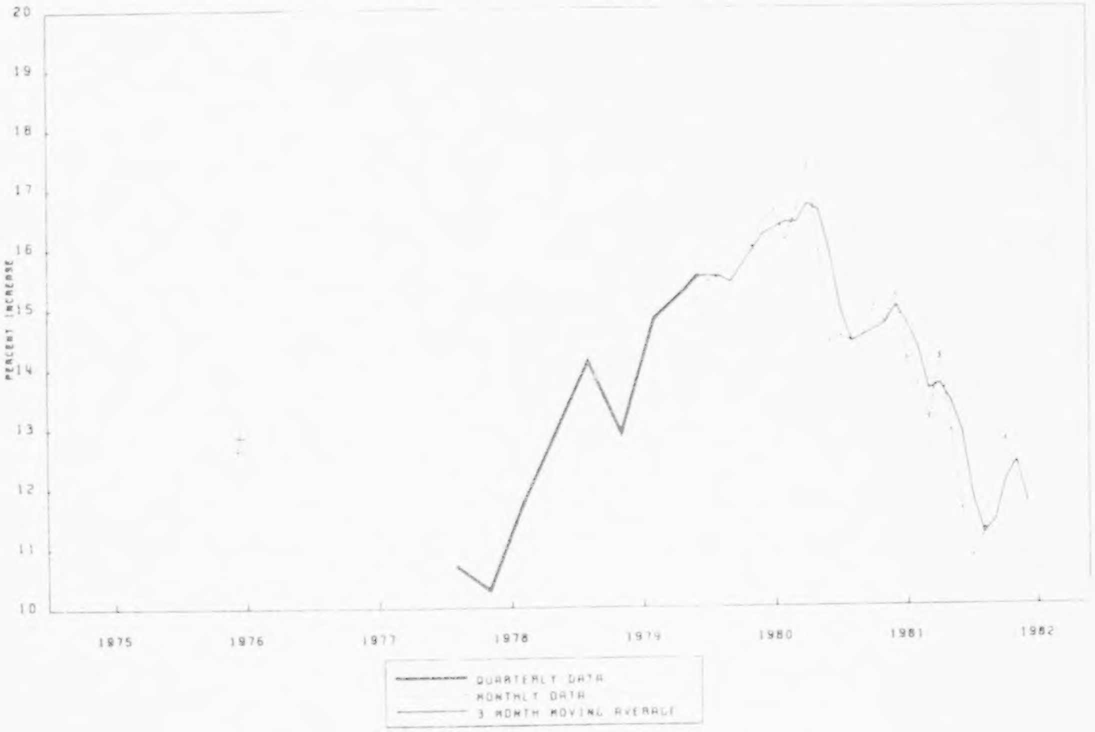
## EXPECTED CHANGE IN INTEREST RATES

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 53% | 29% | 31% | 29% | 31% | 41% | 38% | 38% | 37% | 33% | 31% | 29% | 21% |
| STAY THE SAME | 14 | 20 | 24 | 26 | 27 | 30 | 27 | 28 | 34 | 33 | 30 | 25 | 25 |
| GO DOWN | 29 | 44 | 37 | 41 | 38 | 26 | 30 | 29 | 26 | 30 | 35 | 42 | 50 |
| DK,NA | 4 | 7 | 8 | 4 | 4 | 3 | 5 | 5 | 3 | 4 | 4 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS



## TABLE 22

## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 2% | 3% | 2% | 4% | 4% | 5% | 9% | 10% | 11% | 10% | 8% | 7% | 10% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 2 | 2 | 3 | 2 | 4 | 2 | 4 | 3 | 4 | 3 | 4 | 2 | 3 |
| 3-4% | 3 | 4 | 4 | 4 | 5 | 7 | 6 | 6 | 7 | 4 | 5 | 6 | 6 |
| 5% | 9 | 7 | 8 | 7 | 6 | 8 | 8 | 8 | 8 | 9 | 8 | 10 | 11 |
| 6-9% | 9 | 8 | 8 | 10 | 12 | 10 | 10 | 10 | 10 | 14 | 11 | 12 | 14 |
| 10-14% | 26 | 31 | 32 | 29 | 26 | 31 | 25 | 23 | 24 | 24 | 23 | 24 | 25 |
| 15% or more | 32 | 28 | 25 | 25 | 30 | 27 | 22 | 20 | 21 | 23 | 24 | 22 | 16 |
| DK how much up | 16 | 17 | 17 | 18 | 13 | 10 | 16 | 20 | 15 | 12 | 17 | 16 | 15 |
| DK,NA | 1 | * | 1 | 1 | * | * | * | * | * | 1 | * | 1 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE (%) | 15.2 | 14.1 | 13.7 | 13.1 | 14.2 | 12.9 | 11.6 | 10.8 | 11.2 | 12.2 | 12.8 | 12.1 | 10.3 |
| VARIANCE | 158 | 130 | 128 | 111 | 156 | 123 | 112 | 104 | 107 | 142 | 147 | 131 | 100 |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

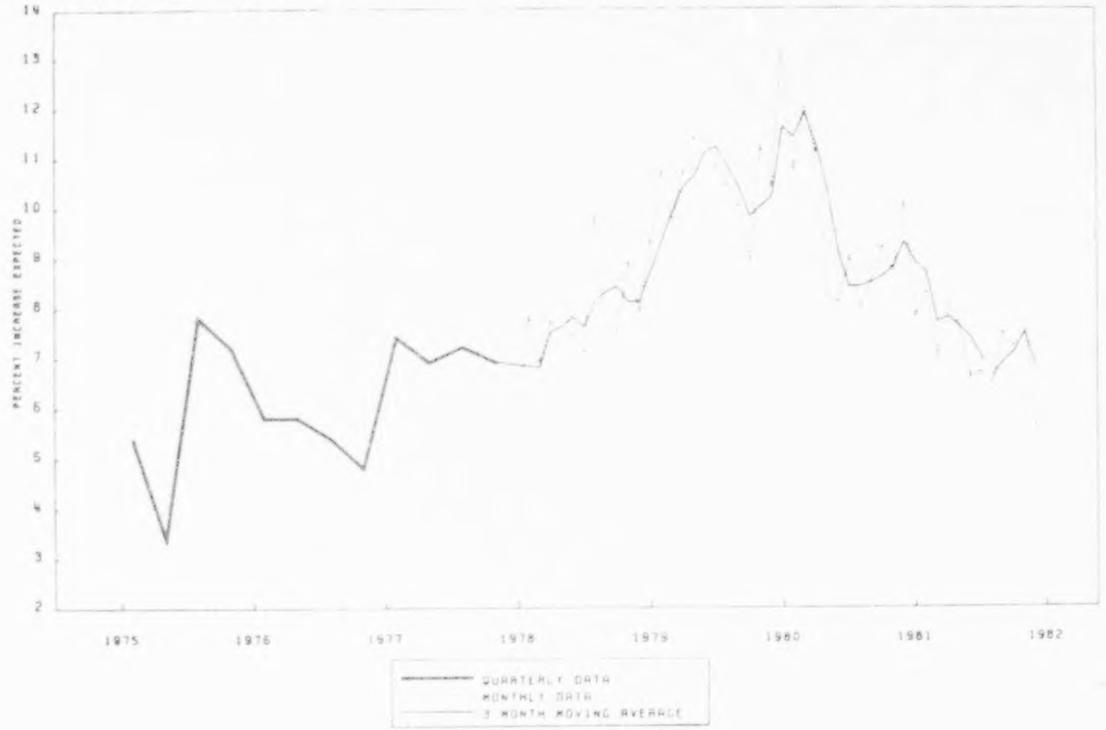
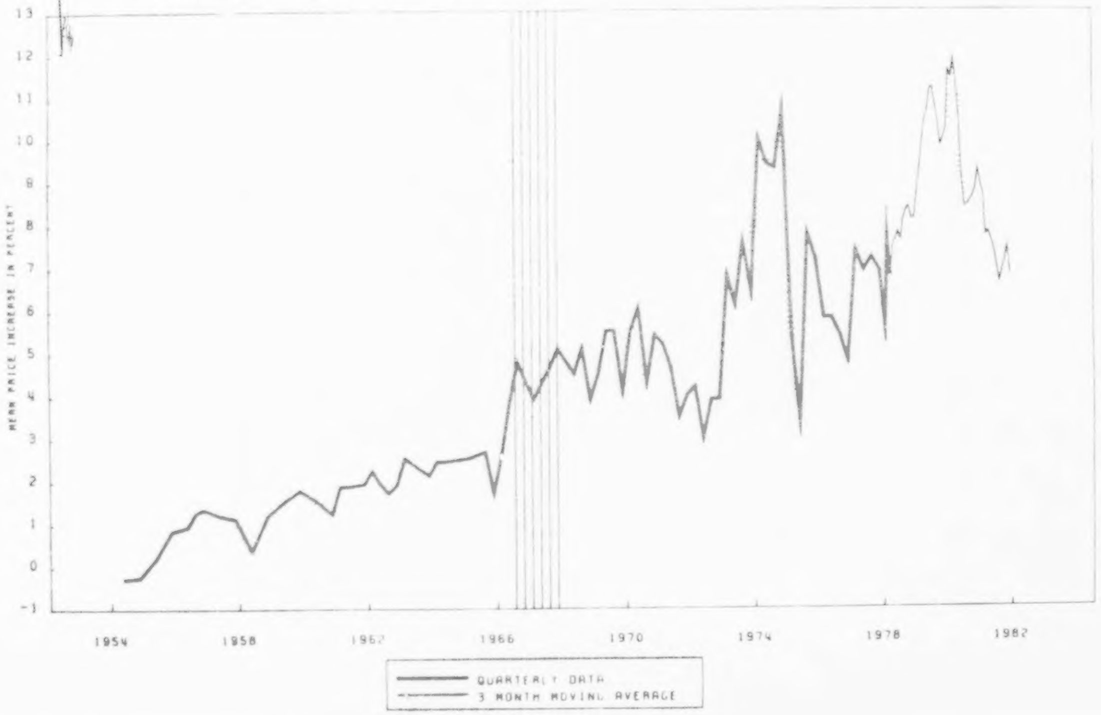


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 17% | 21% | 18% | 26% | 27% | 25% | 31% | 31% | 28% | 30% | 27% | 26% | 35% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 3 | 3 | 5 | 2 | 4 | 2 | 4 | 2 | 6 | 4 | 5 | 4 | 3 |
| 3-4% | 5 | 6 | 9 | 8 | 7 | 8 | 6 | 6 | 6 | 8 | 6 | 5 | 7 |
| 5% | 9 | 7 | 9 | 11 | 9 | 10 | 8 | 10 | 12 | 9 | 12 | 11 | 12 |
| 6-9% | 11 | 12 | 12 | 11 | 9 | 13 | 12 | 15 | 11 | 11 | 13 | 11 | 13 |
| 10-14% | 25 | 28 | 23 | 20 | 20 | 22 | 21 | 16 | 16 | 17 | 16 | 21 | 13 |
| 15% or more | 18 | 9 | 12 | 9 | 14 | 11 | 10 | 10 | 10 | 13 | 11 | 10 | 8 |
| DK how much up | 10 | 11 | 10 | 11 | 8 | 7 | 7 | 10 | 8 | 7 | 8 | 10 | 7 |
| DK,NA | 2 | 3 | 2 | 2 | 2 | 2 | 1 | * | 3 | 1 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE (%) | 10.1 | 7.8 | 8.3 | 7.0 | 8.1 | 7.6 | 6.6 | 6.7 | 6.5 | 7.5 | 7.2 | 7.7 | 5.6 |
| VARIANCE | 107 | 54 | 74 | 57 | 97 | 79 | 57 | 71 | 60 | 91 | 68 | 84 | 57 |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

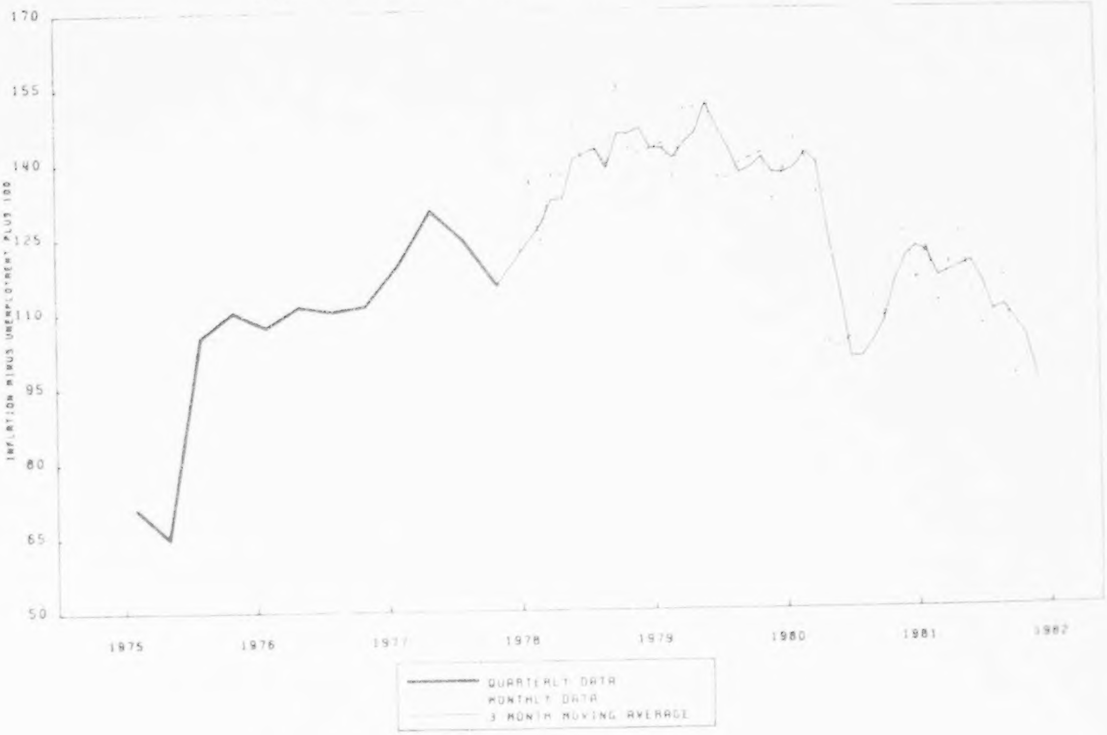
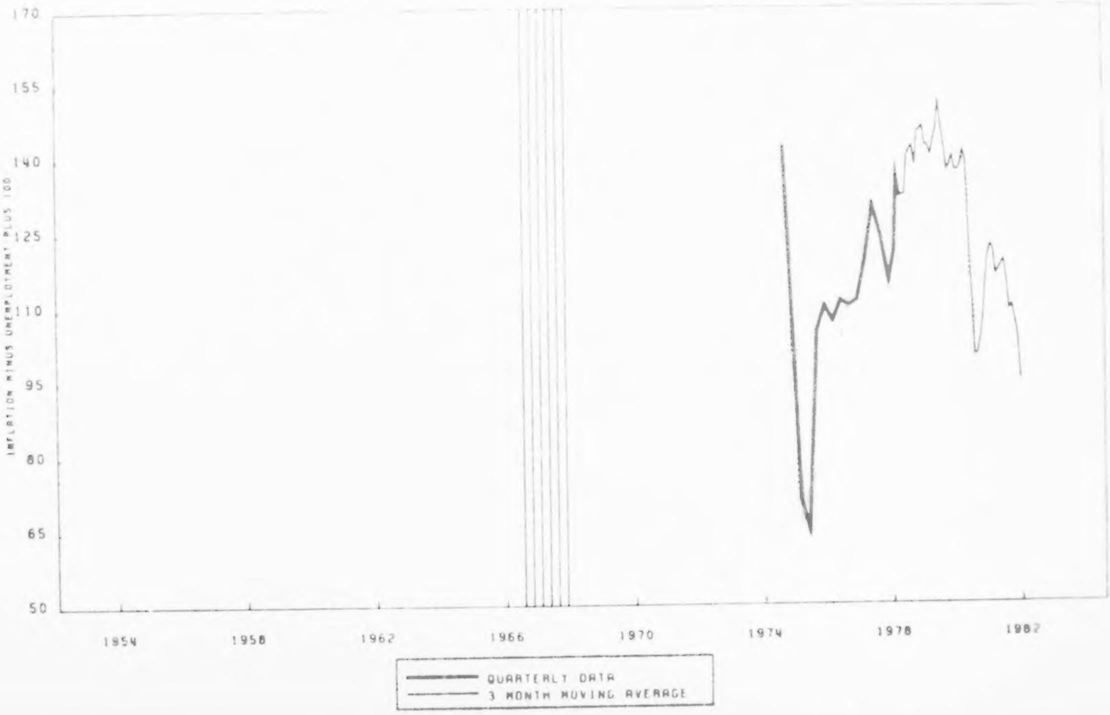


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS



## TABLE 24

## UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 32% | 34% | 34% | 39% | 35% | 33% | 36% | 42% | 39% | 37% | 45% | 43% | 49% |
| BOTH EQUALLY SERIOUS | 9 | 14 | 8 | 11 | 8 | 8 | 14 | 9 | 11 | 9 | 12 | 13 | 11 |
| INFLATION | 57 | 49 | 56 | 49 | 54 | 58 | 49 | 48 | 48 | 53 | 41 | 43 | 38 |
| DK,NA | 2 | 3 | 2 | 1 | 3 | 1 | 1 | 1 | 2 | 1 | 2 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

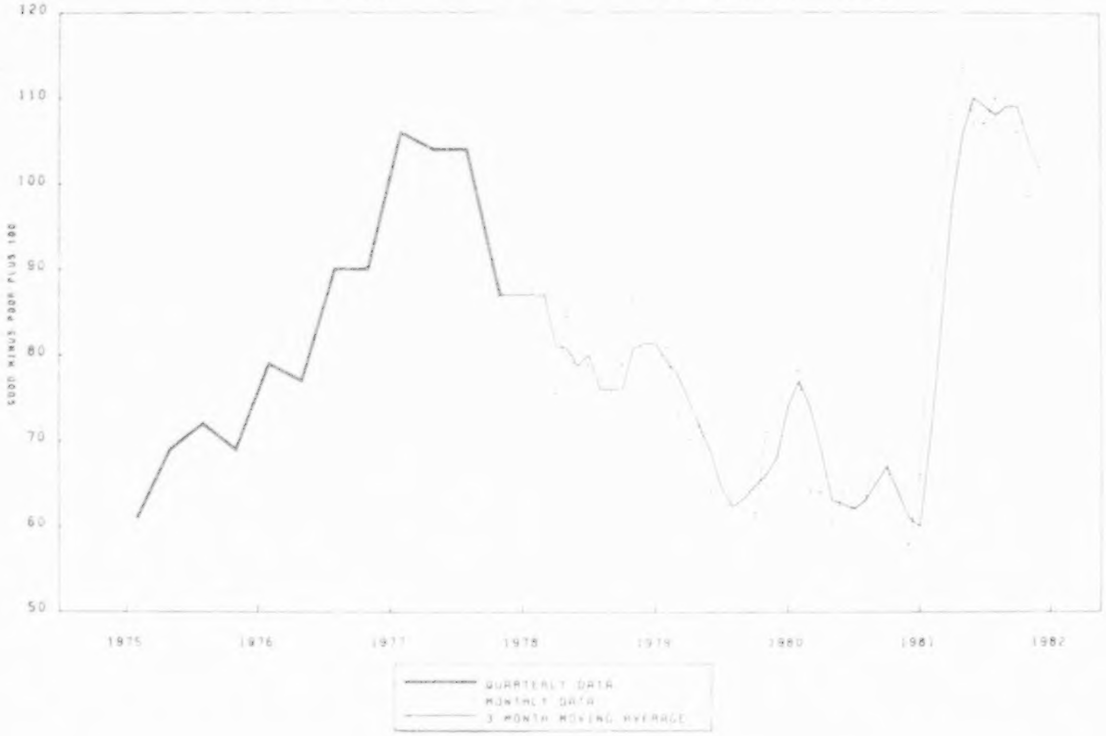


CHART 25 HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

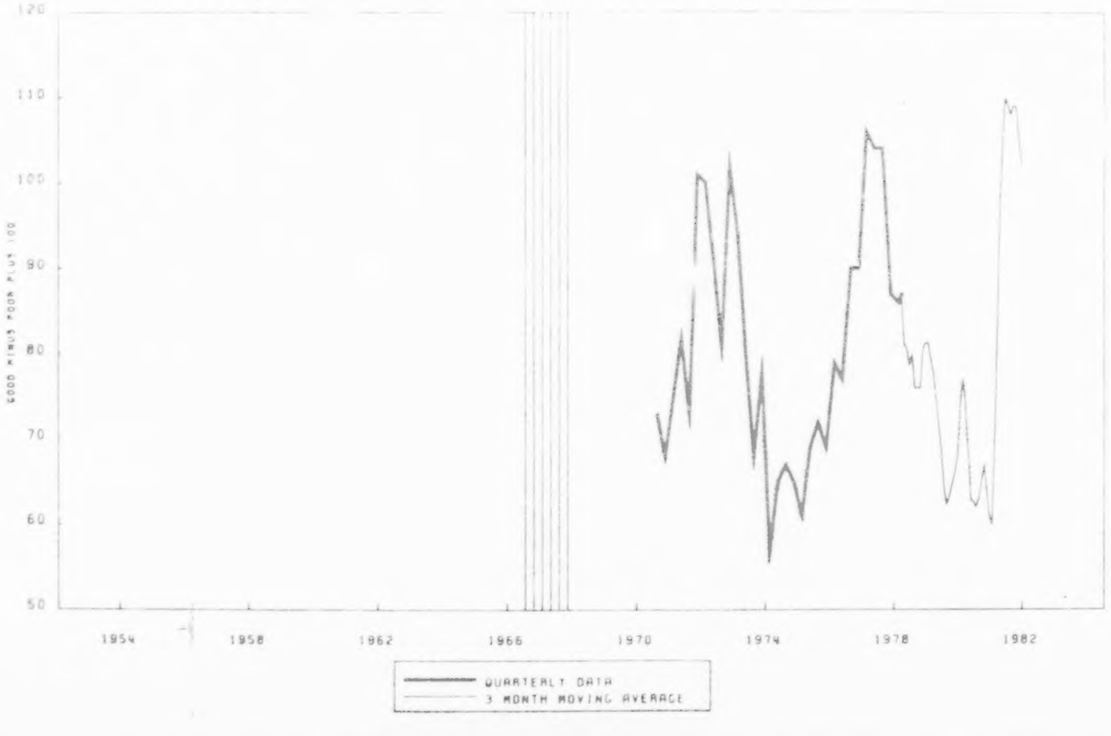


TABLE 25

OPINIONS ABOUT THE GOVERNMENT´S ECONOMIC POLICY

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 7% | 10% | 19% | 22% | 28% | 30% | 25% | 28% | 31% | 31% | 31% | 23% | 26% |
| ONLY FAIR | 42 | 42 | 40 | 45 | 47 | 49 | 54 | 47 | 44 | 45 | 41 | 49 | 47 |
| A POOR JOB | 49 | 44 | 31 | 25 | 20 | 16 | 18 | 21 | 21 | 20 | 25 | 25 | 24 |
| DK,NA | 2 | 4 | 10 | 8 | 5 | 5 | 3 | 4 | 4 | 4 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

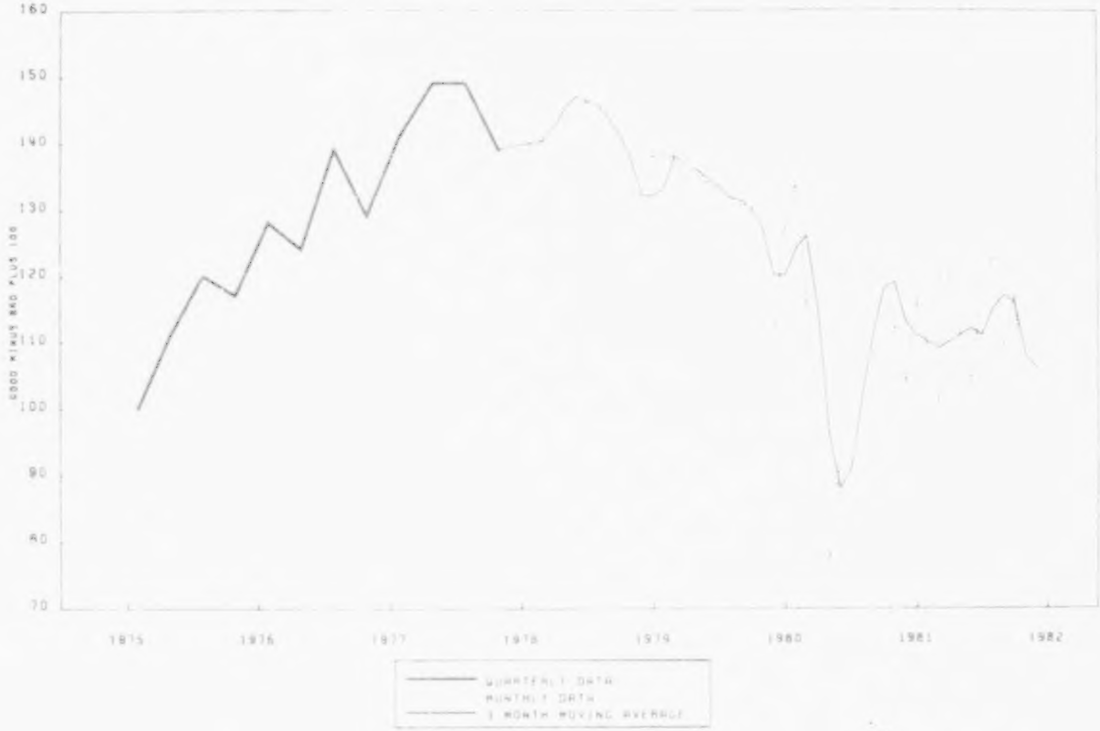


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

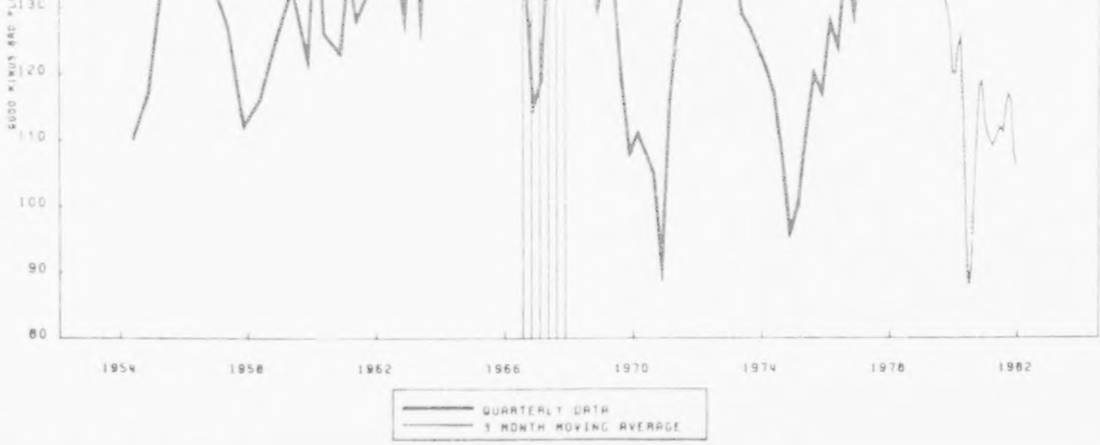


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 45% | 50% | 47% | 43% | 54% | 50% | 44% | 53% | 55% | 44% | 52% | 43% | 44% |
| UNCERTAIN, DEPENDS | 14 | 16 | 15 | 15 | 13 | 11 | 16 | 12 | 13 | 21 | 13 | 13 | 13 |
| BAD TIME TO BUY | 41 | 34 | 38 | 42 | 33 | 39 | 40 | 35 | 32 | 35 | 35 | 44 | 43 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 17% | 23% | 23% | 22% | 21% | 16% | 20% | 24% | 24% | 20% | 21% | 19% | 26% |
| Prices won´t come down; are going higher | 24 | 28 | 24 | 23 | 31 | 30 | 23 | 27 | 26 | 21 | 25 | 20 | 21 |
| Interest rates low; credit is easy | 3 | 2 | 3 | 1 | 2 | 3 | 1 | 2 | 3 | 1 | 1 | 2 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 26 | 17 | 24 | 23 | 19 | 25 | 22 | 23 | 17 | 21 | 19 | 25 | 26 |
| Interest rates are high; credit is tight | 22 | 25 | 26 | 22 | 17 | 18 | 23 | 17 | 21 | 21 | 17 | 23 | 21 |
| Lack of purchasing power | 11 | 11 | 13 | 16 | 12 | 9 | 13 | 8 | 7 | 9 | 11 | 12 | 15 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

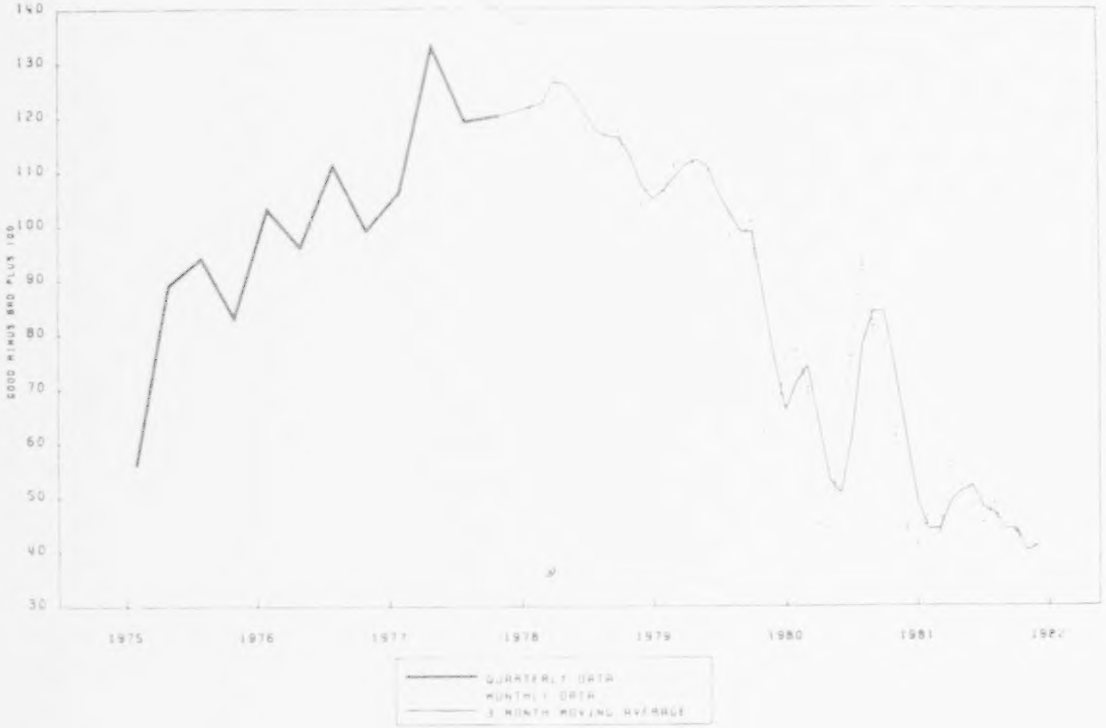
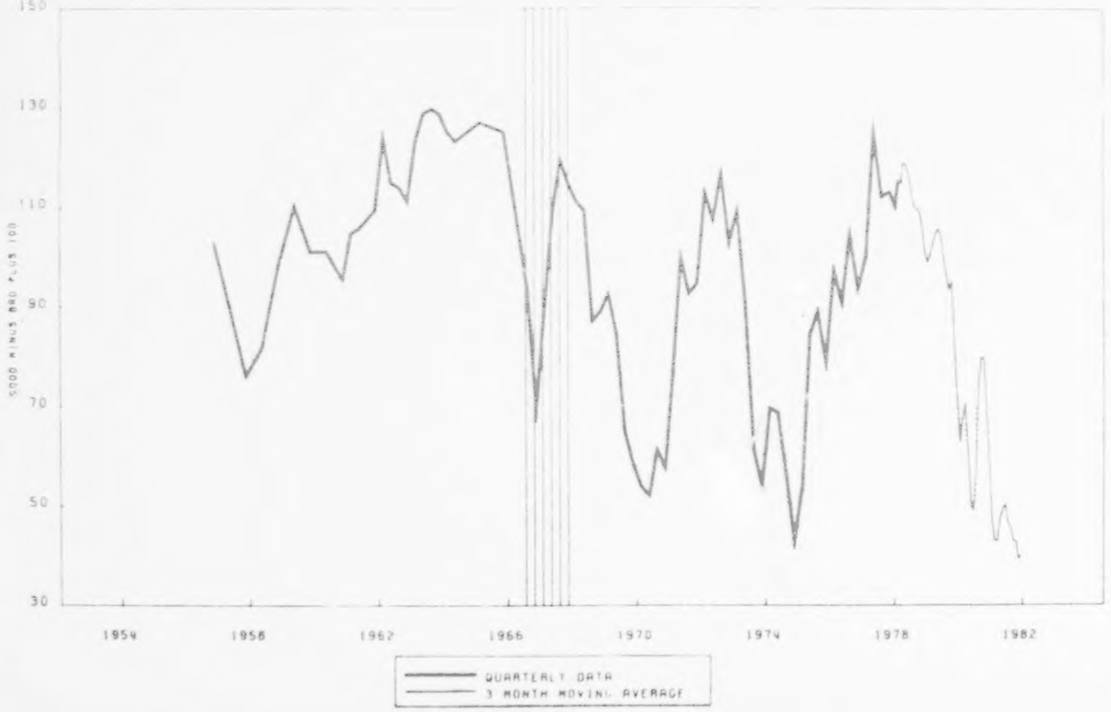


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



## TABLE 28

## BUYING CONDITIONS FOR HOUSES

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 19% | 18% | 21% | 20% | 26% | 24% | 20% | 20% | 21% | 15% | 18% | 16% | 19% |
| UNCERTAIN, DEPENDS | 6 | 5 | 5 | 3 | 5 | 4 | 8 | 5 | 7 | 9 | 8 | 5 | 5 |
| BAD TIME TO BUY | 75 | 77 | 74 | 77 | 69 | 72 | 72 | 75 | 72 | 76 | 74 | 79 | 76 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

## TABLE 29

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 4% | 3% | 5% | 4% | 5% | 5% | 5% | 5% | 6% | 5% | 7% | 7% | 12% |
| Prices won´t come down; are going higher | 10 | 12 | 10 | 9 | 12 | 10 | 10 | 10 | 10 | 7 | 9 | 7 | 7 |
| Interest rates low; credit is easy | 6 | 4 | 7 | 5 | 9 | 7 | 5 | 6 | 8 | 6 | 4 | 4 | 6 |
| Good investment | 6 | 7 | 10 | 7 | 8 | 6 | 6 | 7 | 5 | 4 | 3 | 5 | 3 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 28 | 32 | 31 | 32 | 30 | 28 | 30 | 30 | 23 | 30 | 27 | 24 | 27 |
| Interest rates are high; credit is tight | 77 | 76 | 73 | 76 | 66 | 71 | 71 | 71 | 76 | 80 | 78 | 83 | 81 |
| Lack of purchasing power | 12 | 10 | 14 | 13 | 12 | 11 | 13 | 12 | 11 | 15 | 11 | 17 | 21 |

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

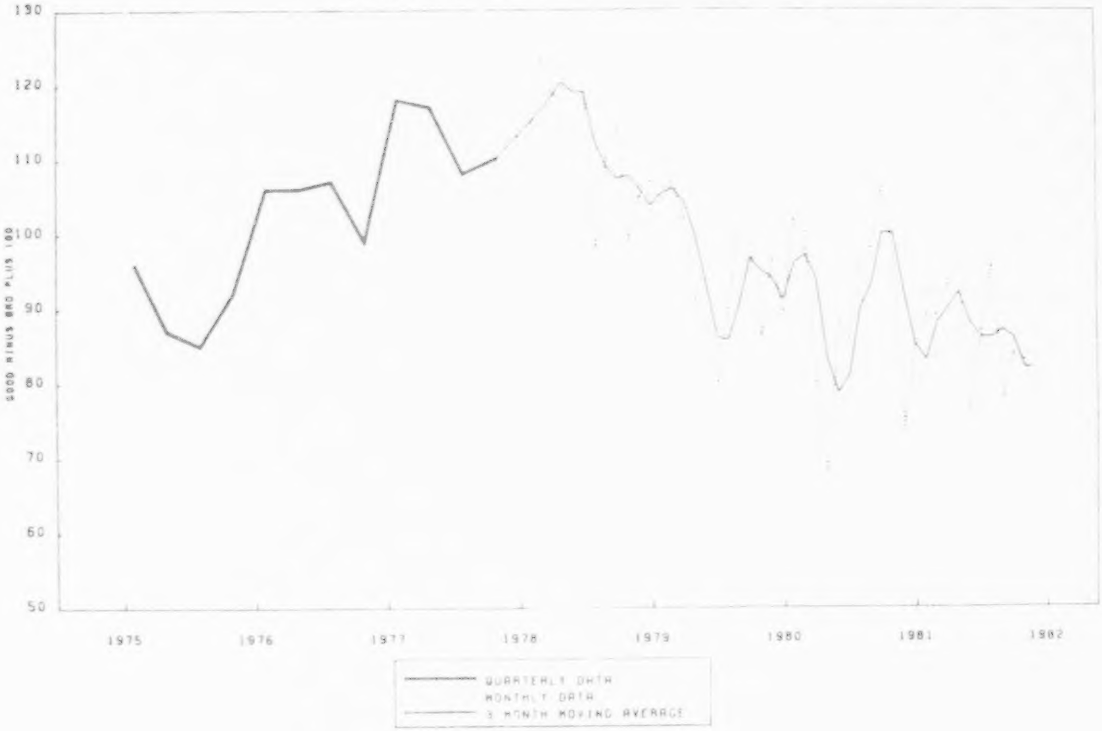
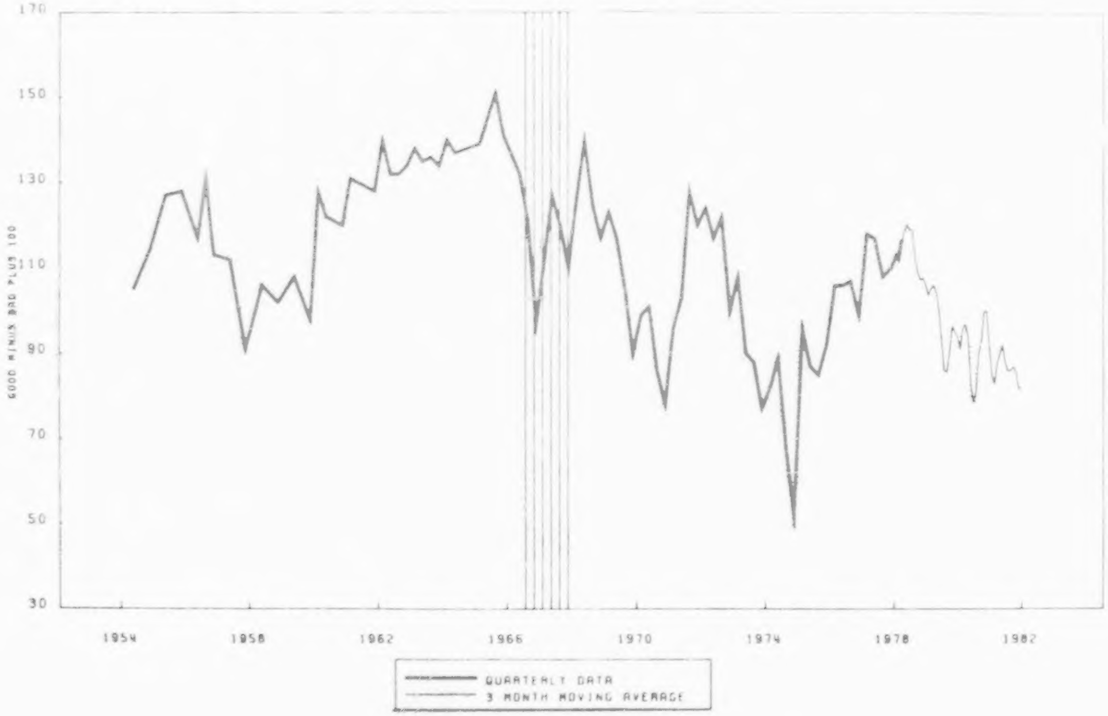


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



## TABLE 30

## BUYING CONDITIONS FOR CARS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 33% | 36% | 39% | 39% | 42% | 44% | 33% | 40% | 43% | 34% | 37% | 37% | 34% |
| UNCERTAIN; DEPENDS | 8 | 13 | 11 | 11 | 9 | 7 | 10 | 7 | 10 | 10 | 10 | 9 | 10 |
| BAD TIME TO BUY | 59 | 51 | 50 | 50 | 49 | 49 | 57 | 53 | 47 | 56 | 53 | 54 | 56 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

## TABLE 31

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 13% | 18% | 22% | 30% | 25% | 23% | 14% | 17% | 19% | 14% | 20% | 21% | 22% |
| Prices won´t come down; are going higher | 12 | 13 | 12 | 10 | 19 | 15 | 12 | 18 | 18 | 15 | 14 | 12 | 12 |
| Interest rates low; credit is easy | 4 | 5 | 3 | 2 | 3 | 4 | 2 | 3 | 5 | 6 | 4 | 5 | 5 |
| New fuel efficient models | 5 | 4 | 4 | 6 | 4 | 5 | 5 | 5 | 4 | 4 | 2 | 1 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 31 | 33 | 31 | 34 | 31 | 33 | 34 | 33 | 26 | 30 | 36 | 32 | 37 |
| Interest rates are high; credit is tight | 29 | 28 | 27 | 21 | 22 | 17 | 28 | 25 | 26 | 31 | 29 | 26 | 27 |
| Lack of purchasing power | 9 | 7 | 7 | 10 | 8 | 6 | 6 | 6 | 5 | 8 | 7 | 8 | 13 |
| Price of gas; shortages | 5 | 4 | 8 | 6 | 5 | 3 | 2 | 3 | 4 | 3 | 1 | 2 | 2 |
| Poor selection; quality | 12 | 9 | 9 | 9 | 8 | 10 | 9 | 11 | 8 | 9 | 8 | 10 | 9 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 14% | 15% | 16% | 14% | 15% | 17% | 17% | 14% | 19% | 17% | 14% | 19% | 19% |
| CHANCES ARE EVEN | 6 | 8 | 7 | 6 | 8 | 9 | 8 | 7 | 7 | 3 | 7 | 6 | 7 |
| PROBABLY WILL NOT BUY | 67 | 66 | 62 | 67 | 65 | 63 | 66 | 64 | 59 | 67 | 70 | 66 | 64 |
| DK,NA | 13 | 11 | 15 | 13 | 12 | 11 | 9 | 15 | 15 | 13 | 9 | 9 | 10 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 684 | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 20% | 23% | 23% | 20% | 23% | 26% | 25% | 21% | 26% | 20% | 21% | 25% | 26% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 8 | 11 | 10 | 9 | 11 | 11 | 10 | 9 | 12 | 9 | 10 | 11 | 11 |
| Buy used | 9 | 8 | 10 | 9 | 10 | 12 | 11 | 9 | 11 | 9 | 9 | 12 | 13 |
| Lease | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 1 | 1 | * | 1 |
| DK,NA | 2 | 3 | 2 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 2 | 3 | 1 | 1 | 5 | 5 | 2 | 5 | 3 | 2 | 4 | 2 | 1 |
| Next 4-6 months | 3 | 5 | 6 | 4 | 8 | 5 | 7 | 6 | 7 | 4 | 6 | 6 | 5 |
| Next 7-9 months | 5 | 6 | 7 | 5 | 5 | 7 | 7 | 2 | 3 | 5 | 3 | 8 | 10 |
| 10 months or more | 5 | 4 | 3 | 5 | 2 | 3 | 5 | 3 | 7 | 5 | 4 | 4 | 6 |
| DK,NA | 5 | 5 | 6 | 5 | 3 | 6 | 4 | 5 | 6 | 4 | 4 | 5 | 4 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

## TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | Dec. 1980 | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 67% | 66% | 62% | 67% | 65% | 63% | 66% | 64% | 59% | 67% | 70% | 66% | 64% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 37 | 35 | 33 | 34 | 39 | 37 | 37 | 35 | 34 | 33 | 38 | 34 | 33 |
| Would buy used | 27 | 29 | 28 | 28 | 24 | 25 | 27 | 27 | 23 | 31 | 29 | 29 | 29 |
| DK,NA | 3 | 2 | 1 | 5 | 2 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 2 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 7 | 6 | 5 | 6 | 9 | 6 | 5 | 4 | 7 | 5 | 5 | 7 | 6 |
| 2 years | 20 | 17 | 23 | 23 | 19 | 22 | 20 | 19 | 18 | 23 | 20 | 18 | 22 |
| 3 years | 12 | 12 | 9 | 9 | 9 | 10 | 11 | 11 | 10 | 10 | 11 | 8 | 9 |
| 4 years or more | 18 | 19 | 16 | 19 | 22 | 15 | 20 | 18 | 18 | 21 | 24 | 19 | 19 |
| Indefinite | 3 | 5 | 3 | 3 | 3 | 4 | 5 | 5 | 1 | 2 | 4 | 4 | 3 |
| DK,NA | 7 | 7 | 6 | 7 | 3 | 6 | 5 | 7 | 5 | 6 | 6 | 10 | 5 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

u 4475-2 (A)

January 6, 1982

DECEMBER 1981 MONTHLY SURVEY

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

# Surveys of Consumer Attitudes

Richard T. Curtin *Director*

## UNEMPLOYMENT DOMINATES CONSUMER ATTITUDES

** The Index of Consumer Sentiment was 64.3 in the December 1981 survey, up marginally from the 62.5 recorded in November, and nearly identical to the 64.5 recorded in December 1980. The extended length of time that consumer sentiment has been depressed is indicated by the narrow range of Index values recorded in the four December surveys from 1978 to 1981 (61.0 to 66.1). The small overall change in the Index masked offsetting trends: lessened concern about rising prices and interest rates, and increased concern with spreading unemployment.

** Among families with incomes of $25,000 or more, the Index of Consumer Sentiment was 71.1 in December 1981, up from 66.3 in November, and 68.6 in December 1980. The largest shifts in sentiment recorded in the December survey were among residents of the Northeast (a 9.2 Index gain over November), and residents of the Western region (a 7.2 Index decline), leaving the Index values at year-end nearly equal across all four major geographic regions.

** Declines in interest rates during the year ahead were expected by 50 percent of all families in December, significantly above the 30 percent recorded both three months and one year earlier.

** While the annual expected rate of inflation fell to 5.6% (a four-year low), the proportion that expected increases in the rate of unemployment reached 50 percent in the December 1981 survey, a 20 percentage point increase over three months earlier. As a result, families more frequently viewed unemployment, rather than inflation, as the more serious economic problem facing the nation, by the widest margin since the 1974-75 recession.

** By year end 1981, almost the entire improvement in business expectations recorded during late 1980 and early 1981 had been reversed. Four in five consumers reported in the December 1981 survey that the economy had worsened during the past year. Two-thirds expected bad times financially in the economy as a whole during the year ahead.

** Attitudes towards market conditions for houses, autos, and large household durables remained largely unchanged in December 1981 at low levels. High interest rates and high prices continued to be the dominant forces behind unfavorable buying attitudes in all three markets.

* * *

## Declines Expected in Inflation and Interest Rates

In the December 1981 survey, 50 percent of all families expected interest rates to decline in the year ahead, compared with 21 percent that expected further interest rate increases. This stands in sharp contrast to the year earlier reading, when increases rather than declines were expected by the margin of 53 to 29 percent. During the past three months, the proportion that expected interest rate declines increased from 30 to 50 percent. The December 1981 reading represents a favorable interest rate outlook in that interest rate expectations were more favorable on only two occasions during the last decade: at the end of the 1974-75 recession when 53 percent expected declines, and in the Spring of 1980 when 54 percent expected declines following the announcement of Carter's credit restriction policies.

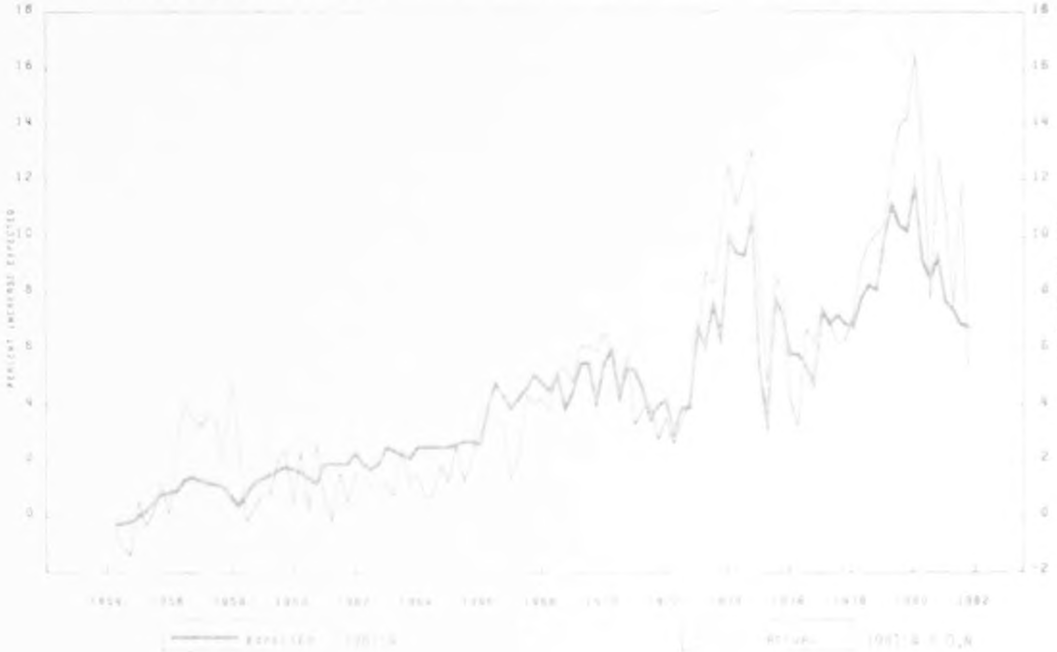
Reports of current and expected inflation declined significantly in the December 1981 survey. When asked about changes during the past year in the prices of the things they buy, respondents reported an average annual inflation rate of 10.3% in the December 1981 survey, down from 12.1% in November, and 15.2% in December 1980.

Reports of current and expected inflation declined significantly in the December 1981 survey. When asked about changes during the past year in the prices of the things they buy, an average annual inflation rate of 10.3% was recorded in the December 1981 survey, down from 12.1% in November, and 15.2% in December 1980.

The rate of inflation expected during the year ahead declined to 5.6% in December 1981, from 7.7% in November, and 10.1% in December 1980. Among all families, 21 percent expected double digit inflation rates, less than half the 43 percent recorded a year earlier. At 5.6%, the annual increase in prices expected in the December 1981 survey was less than half the peak expected inflation rate of 13.1% recorded in January 1980, and the lowest expected inflation rate recorded during the past four years. Chart A shows the close time-series relationship between [illegible] the expected inflation rate and actual changes in the [illegible]

Chart A

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS
AND INCREASE IN CPI, ALL URBAN CONSUMERS: ALL ITEMS (SA)



## Spreading Unemployment Dominant Concern

Among all families, 80 percent reported in the December 1981 survey that business conditions had worsened during the past year, up from 70 percent in November. When asked about news of recent changes in business conditions, 32 percent reported hearing of rising unemployment, up from 18 percent one year earlier. In the December 1981 survey, respondents less frequently mentioned hearing news of rising interest rates (8 percent, down from 19 percent a year earlier), and more frequently mentioned hearing of declines in interest rates (10 percent, up from less than one-half percent a year earlier).

When specifically asked about unemployment trends, 59 percent expected further increases during the year ahead, substantially above the 39 percent recorded in December 1980. Altogether, nearly nine in ten consumers in the December 1981 survey expected unemployment to remain at the same high current levels or to increase further in the year ahead.

When asked whether inflation or unemployment represented the more serious economic hardship facing the nation, respondents singled out unemployment rather than inflation by the widest margin recorded since the 1974-75 recession. Among all families, 49 percent thought unemployment represented the most serious economic hardship, compared with 38 percent that thought inflation was the more serious problem. This represents a significant shift in opinion from one year earlier, when inflation rather than unemployment was viewed as the more serious economic hardship by a margin of 57 to 32 percent.

Sharp differences in consumer attitudes were found depending on whether consumers expected increases or declines in unemployment. As shown in Table A, attitudes toward personal finances and market conditions, as well as business conditions, were more favorable among respondents that expected unemployment to decline. In particular, attitudes toward auto purchases were much less favorable among those that expected increases in unemployment. Unemployment expectations were also strongly related to overall evaluations of government economic policies.

## Unfavorable Business Expectations

In the December 1981 survey, more than two-thirds of all consumers expected bad times financially in the country as a whole during the next 12 months. Consequently, by year end 1981, nearly the entire improvement in business expectations recorded in late 1980 and early 1981 had been reversed.

In January 1981, when Reagan entered office, 39 percent of all families expected improved business conditions during the year ahead, more than twice the 16 percent that expected further declines. When asked to explain their views at that time, 35 percent made spontaneous favorable references to the government economic policies of the incoming administration, while just 7 percent thought that these policies would have an unfavorable effect on business conditions. By year end, the proportion that expected improved business conditions fell to 31 percent, while the proportion that expected declines rose to 29 percent. When asked to explain their views in the December 1981 survey, substantially fewer respondents made favorable references to government economic policies (15 percent, down from 35 percent), while unfavorable references to government economic policies increased to 12 percent from 7 percent. In addition, spreading unemployment was referred to by 15 percent of all families in December 1981, up from 7 percent in January.

## Table A

## IMPACT OF EXPECTED CHANGES IN UNEMPLOYMENT DURING NEXT 12 MONTHS ON CONSUMER SENTIMENT

(December 1981)

| | Expected Change in Unemployment | |
|---|---|---|
| | More unemployment | Same or less unemployment |
| Index of Consumer Sentiment | 54.7 | 80.7 |
| **Personal Finances** | | |
| Expected during next year | | |
| Better | 24 | 37 |
| Worse | 25 | 12 |
| Relative[a] | 99 | 125 |
| **Business Conditions** | | |
| Expected during next year | | |
| Better | 21 | 48 |
| Worse | 40 | 13 |
| Relative[a] | 81 | 135 |
| Expected next five years | | |
| Better | 13 | 32 |
| Worse | 71 | 42 |
| Relative[a] | 42 | 90 |
| **Current Buying Conditions** | | |
| Large household durables | | |
| Good | 39 | 53 |
| Bad | 48 | 36 |
| Relative[a] | 91 | 117 |
| Automobiles | | |
| Good | 29 | 43 |
| Bad | 63 | 47 |
| Relative[a] | 66 | 96 |
| Houses | | |
| Good | 16 | 22 |
| Bad | 79 | 71 |
| Relative[a] | 37 | 51 |
| **Evaluation of Government Economic Policy** | | |
| Good job | 19 | 38 |
| Poor job | 33 | 13 |
| Relative[a] | 86 | 125 |

---

[a] Relatives are the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

Overall confidence in government economic policy to combat inflation and unemployment remained largely unchanged in the December survey from one month earlier, although somewhat below the levels recorded in mid-1981. Continued declines in the expected inflation rate helped to offset concerns over rising unemployment. Nonetheless, by year end 1981 favorable exceeded unfavorable evaluation of government economic policies by the slim margin of 26 to 24 percent, significantly lower than the almost two-to-one margin recorded in May 1981 (30 versus 16 percent).

### Moderation in Inflation Brightens Personal Finances

Moderation in the current and expected rates of inflation has led to more favorable attitudes toward personal finances. In the December 1981 survey, 38 percent of all families reported that their finances had worsened during the past year, down from 48 percent in December 1980. Financial progress was reported by 32 percent of all families in December 1981, up from 25 percent in December 1980. When asked to explain how their situation had improved or worsened, the proportion that mentioned the adverse impact of inflation fell from 48 to 33 percent during the past year.

Changes expected in personal finances during the year ahead were unchanged in the December 1981 survey from the month earlier reading, although somewhat above the year earlier readings. In the December 1981 survey a larger proportion of families expected their personal financial situation to improve (30 percent) rather than worsen (20 percent). In contrast, in the December 1980 survey as many families expected improvement as deterioration (25 percent). Income expectations remained strong in the December 1981 survey, with 32 percent of all families expecting nominal income increases of 10% or more, up from 29 percent in December 1980. Given the declines in the rate of expected inflation, favorable real income expectations remain the prime factor responsible for the improved financial outlook. Since double digit income increases are inconsistent with single digit inflation, these expectations are vulnerable to reversal.

### Buying Attitudes Remain Unfavorable

High interest rates and high prices continue to be the dominant factors behind unfavorable buying attitudes.

Attitudes toward buying conditions for cars were somewhat less favorable in the December 1981 survey than one month earlier, although nearly equal the level recorded one year earlier (Chart B). Among all families, 56 percent thought that buying conditions for cars were unfavorable, up from 54 percent in November 1981. Favorable attitudes toward buying conditions for cars fell to 34 percent in December 1981, from 37 percent in November, although slightly above the 33 percent recorded a year earlier. When asked to explain their views on buying conditions for vehicles, respondents gave high prices and high interest rates as the dominant reasons for their unfavorable views. Among all families, 37 percent mentioned high prices as making buying conditions unfavorable, a proportion exceeded at only one previous time--mid year 1974. In addition, 27 percent mentioned high interest rates and tight credit conditions for making vehicle purchases unfavorable, somewhat below the record level of 31 percent recorded in September 1981.

Attitudes toward buying conditions for large household durables were unchanged in the December 1981 survey from either the month or year earlier readings. Among all families, 44 percent rated buying conditions for durables as favorable, just above the 43 percent that viewed buying conditions unfavorably. When asked to explain their views, 26 percent mentioned low prices and the availability of good buys in the December 1981 survey, up from 19 percent in November, and 17 percent in December 1980. The favorable impact of low prices, however, has been offset by more frequent mentions of high prices--as many respondents mentioned low prices as high prices (26 percent) in the December 1981 survey.

In the December 1981 survey, three in four households rated buying conditions for housing as unfavorable, while just 19 percent rated buying conditions favorably for houses, in both the December 1980 and December 1981 surveys (Chart C). In comparison with a year earlier, in December 1981 respondents more frequently mentioned price declines and the availability of good buys (12 percent, up from 4 percent). Fewer respondents, however, considered home purchases as good investments (3 percent, down from 6 percent), and fewer respondents favored buying in advance of future price increases (7 percent, down from 10 percent). The predominant reason given by respondents for their unfavorable views of buying conditions for houses was high interest rates and tight credit conditions, mentioned by 81 percent of all families in the December 1981 survey, just below the all-time record level of 83 percent recorded in November 1981.

* * *

The December 1981 survey included 701 interviews, conducted between November 20 and December 20, 1981.

Chart B

BUYING ATTITUDES FOR CARS AND TOTAL UNIT CAR SALES

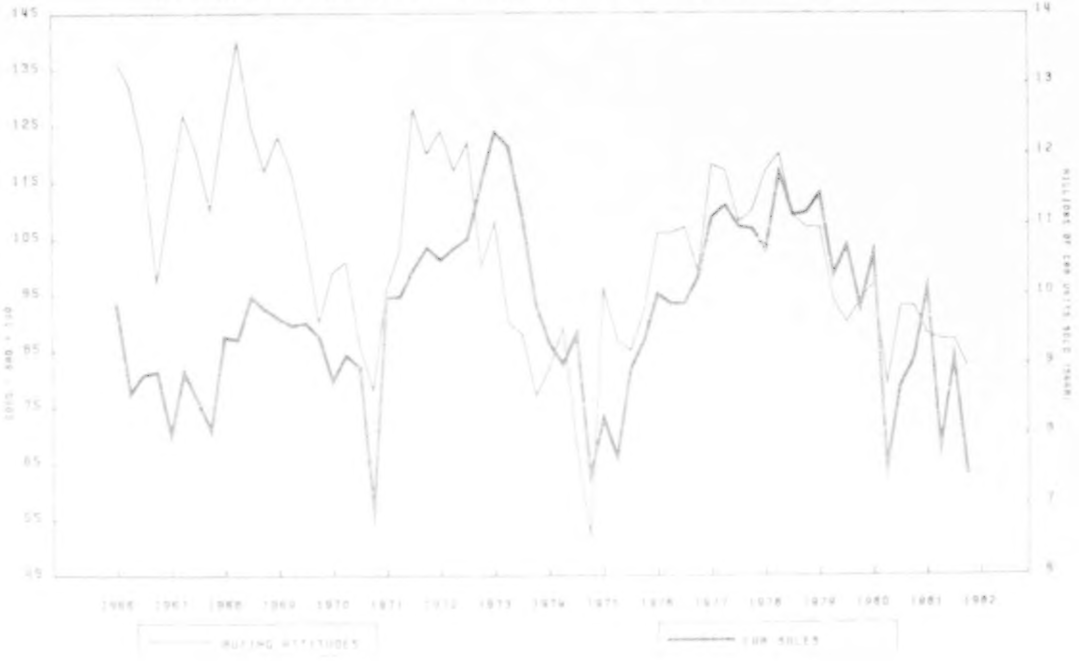
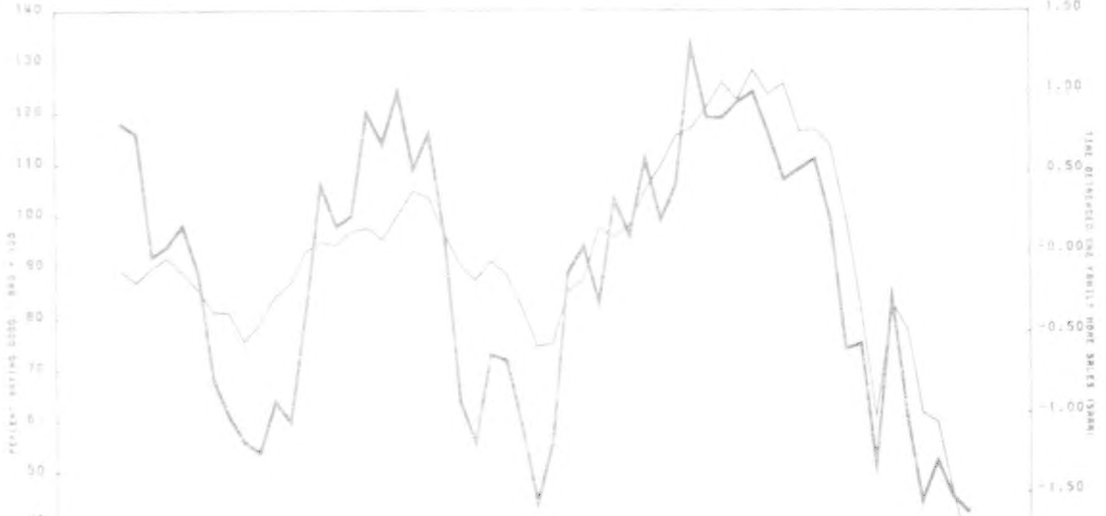


Chart C

BUYING CONDITIONS FOR HOUSES AND TOTAL HOME SALES



U 7475-2 (A)

# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

JANUARY 1982

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

# TABLES AND CHARTS

## JANUARY 1982

The January 1982 survey is the 160th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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| 2 | INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS |
| 3 | COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT |
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| 6 | EXPECTED CHANGE IN FINANCIAL SITUATION |
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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

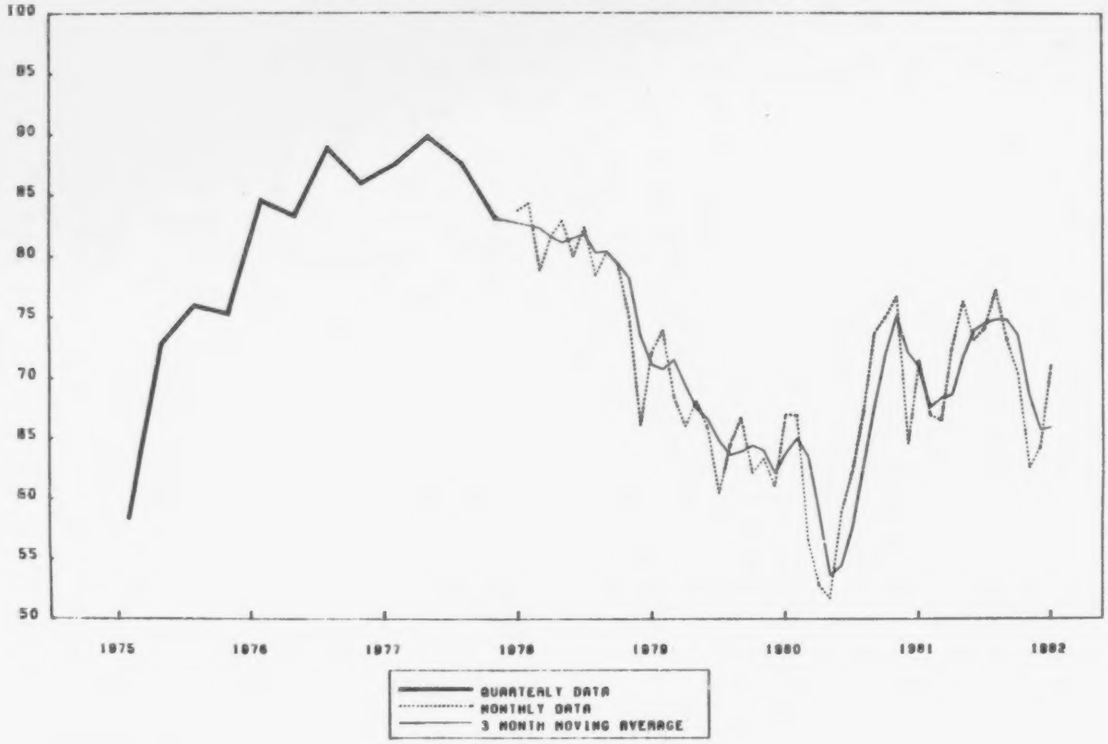
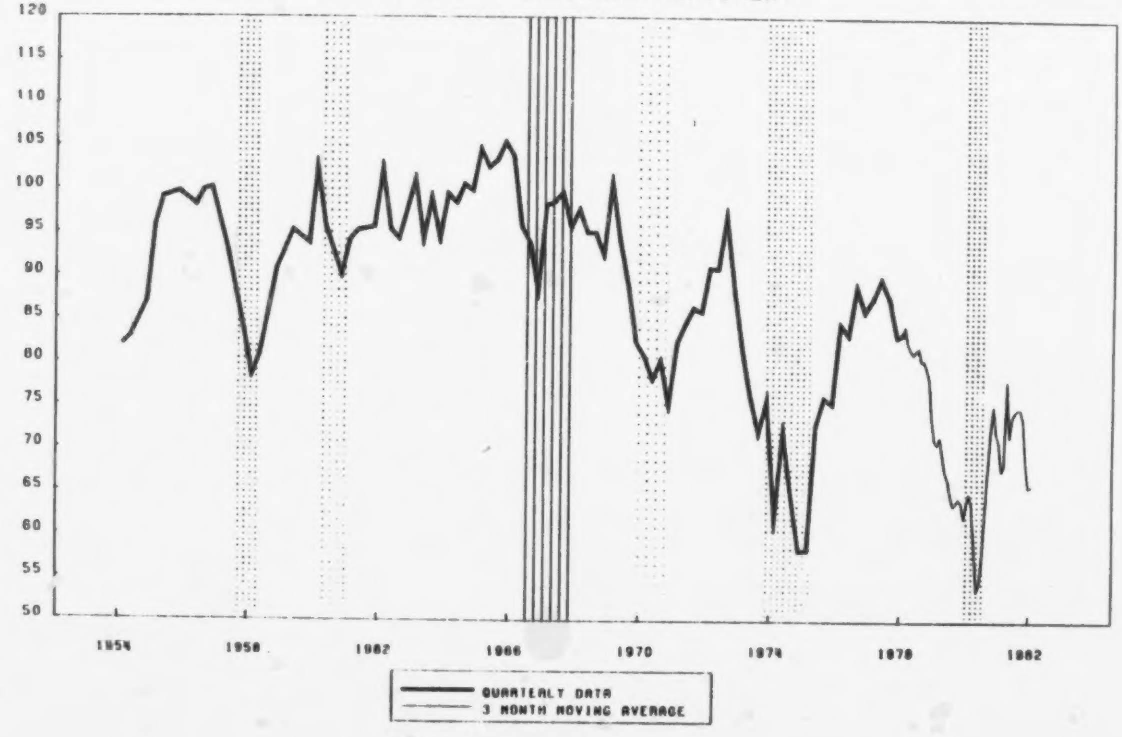


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## TABLE 1

## THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|---|
| January | 1979 | 72.1 | 83.7 | 84.8 |
| February | 1979 | 73.9 | 84.3 | 86.6 |
| March | 1979 | 68.4 | 75.3 | 73.6 |
| April | 1979 | 66.0 | 73.7 | 77.0 |
| May | 1979 | 68.1 | 73.5 | 76.7 |
| June | 1979 | 65.8 | 71.8 | 72.9 |
| July | 1979 | 60.4 | 67.2 | 68.0 |
| August | 1979 | 64.5 | 70.0 | 71.3 |
| September | 1979 | 66.7 | 71.6 | 74.4 |
| October | 1979 | 62.1 | 65.6 | 65.5 |
| November | 1979 | 63.3 | 68.3 | 69.9 |
| December | 1979 | 61.0 | 66.2 | 73.2 |
| January | 1980 | 67.0 | 70.8 | 70.9 |
| February | 1980 | 66.9 | 70.8 | 73.5 |
| March | 1980 | 56.5 | 62.3 | 64.5 |
| April | 1980 | 52.7 | 54.2 | 57.2 |
| May | 1980 | 51.7 | 55.2 | 53.3 |
| June | 1980 | 58.7 | 61.6 | 63.7 |
| July | 1980 | 62.3 | 67.6 | 67.3 |
| August | 1980 | 67.3 | 70.9 | 74.2 |
| September | 1980 | 73.7 | 78.1 | 78.5 |
| October | 1980 | 75.0 | 76.3 | 78.7 |
| November | 1980 | 76.7 | 82.7 | 87.5 |
| December | 1980 | 64.5 | 66.9 | 68.6 |
| January | 1981 | 71.4 | 74.8 | 77.1 |
| February | 1981 | 66.9 | 74.2 | 77.5 |
| March | 1981 | 66.5 | 72.1 | 73.7 |
| April | 1981 | 72.4 | 77.1 | 78.0 |
| May | 1981 | 76.3 | 80.8 | 85.0 |
| June | 1981 | 73.1 | 81.2 | 82.9 |
| July | 1981 | 74.1 | 80.8 | 82.1 |
| August | 1981 | 77.2 | 82.7 | 85.0 |
| September | 1981 | 73.1 | 75.2 | 73.3 |
| October | 1981 | 70.3 | 74.5 | 77.9 |
| November | 1981 | 62.5 | 67.2 | 66.3 |
| December | 1981 | 64.3 | 71.0 | 71.1 |
| January | 1982 | 71.0 | 77.9 | 77.8 |

CHART 2A
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

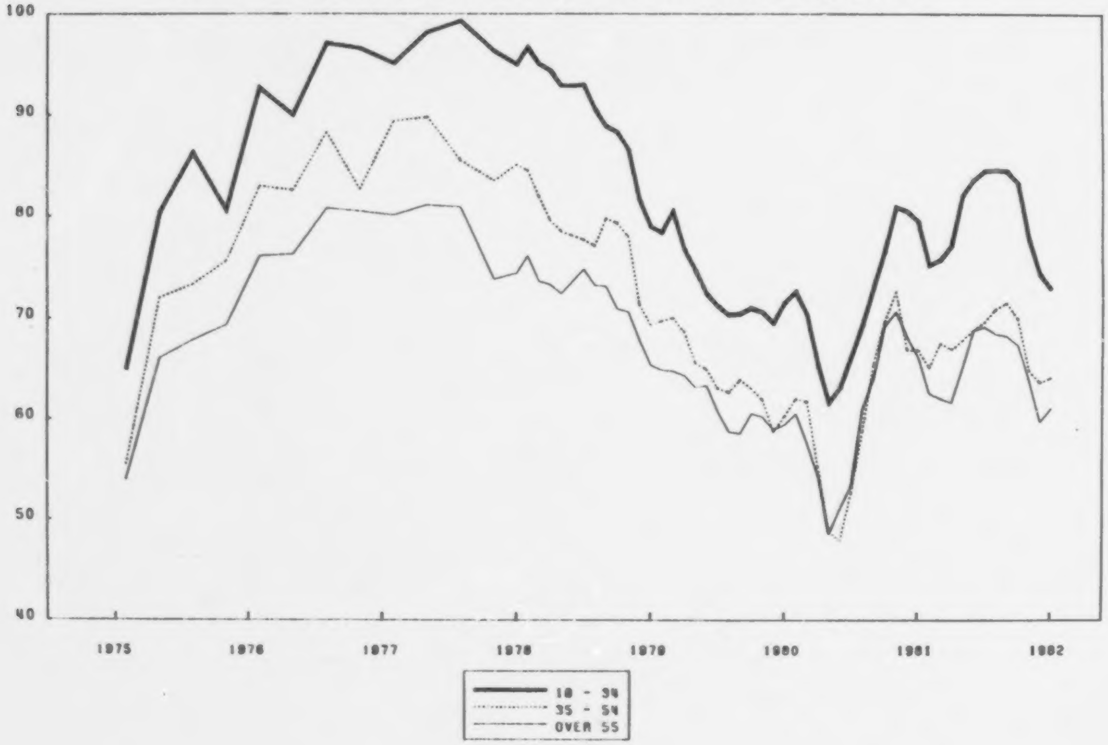
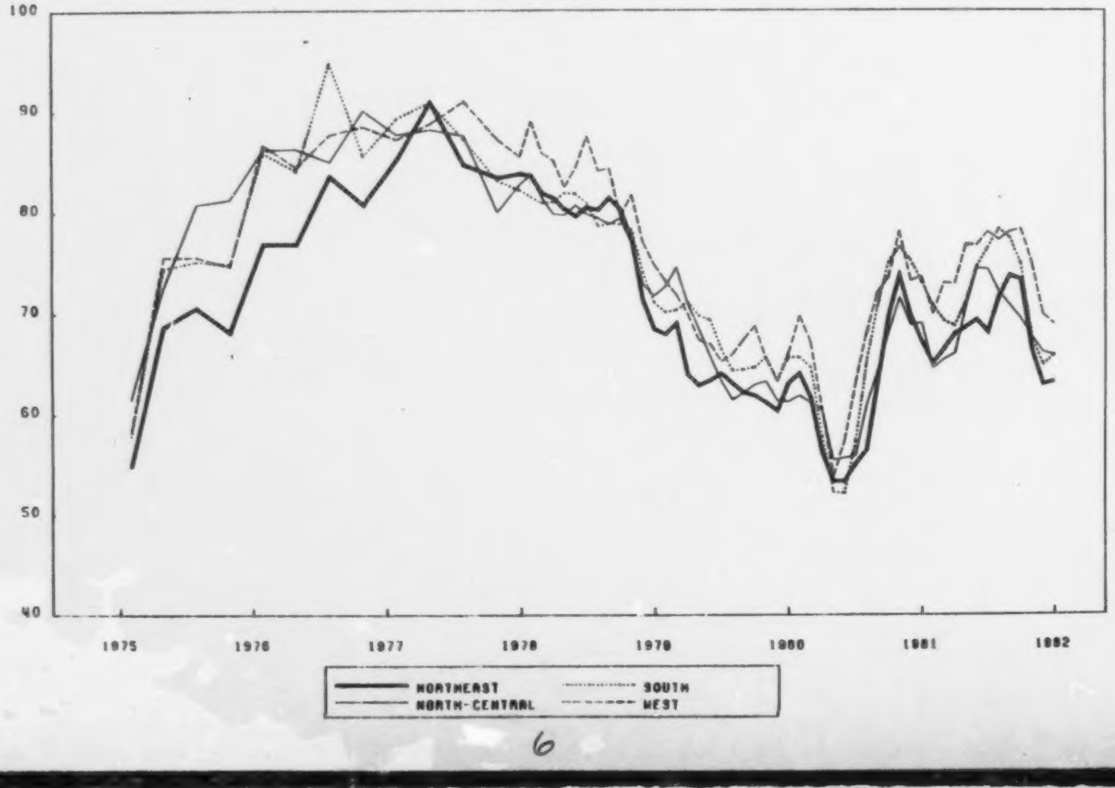


CHART 2B
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS



## TABLE 2

## INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| DATE OF SURVEY | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|
| | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| January 1979 | 73.5 | 76.4 | 69.3 | 70.6 | 82.7 | 70.6 | 63.2 |
| February 1979 | 68.0 | 75.8 | 73.5 | 77.5 | 80.9 | 74.6 | 67.7 |
| March 1979 | 65.5 | 71.3 | 68.0 | 67.4 | 77.9 | 64.7 | 63.3 |
| April 1979 | 58.1 | 65.6 | 71.9 | 64.8 | 71.5 | 66.4 | 61.8 |
| May 1979 | 64.9 | 68.2 | 69.1 | 69.6 | 74.6 | 65.3 | 64.1 |
| June 1979 | 66.8 | 63.3 | 66.8 | 66.3 | 71.2 | 62.9 | 63.9 |
| July 1979 | 60.4 | 58.0 | 63.3 | 59.7 | 67.7 | 60.9 | 54.1 |
| August 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.3 |
| May 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |
| January 1982 | 68.8 | 67.3 | 72.0 | 76.2 | 76.6 | 67.4 | 68.5 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

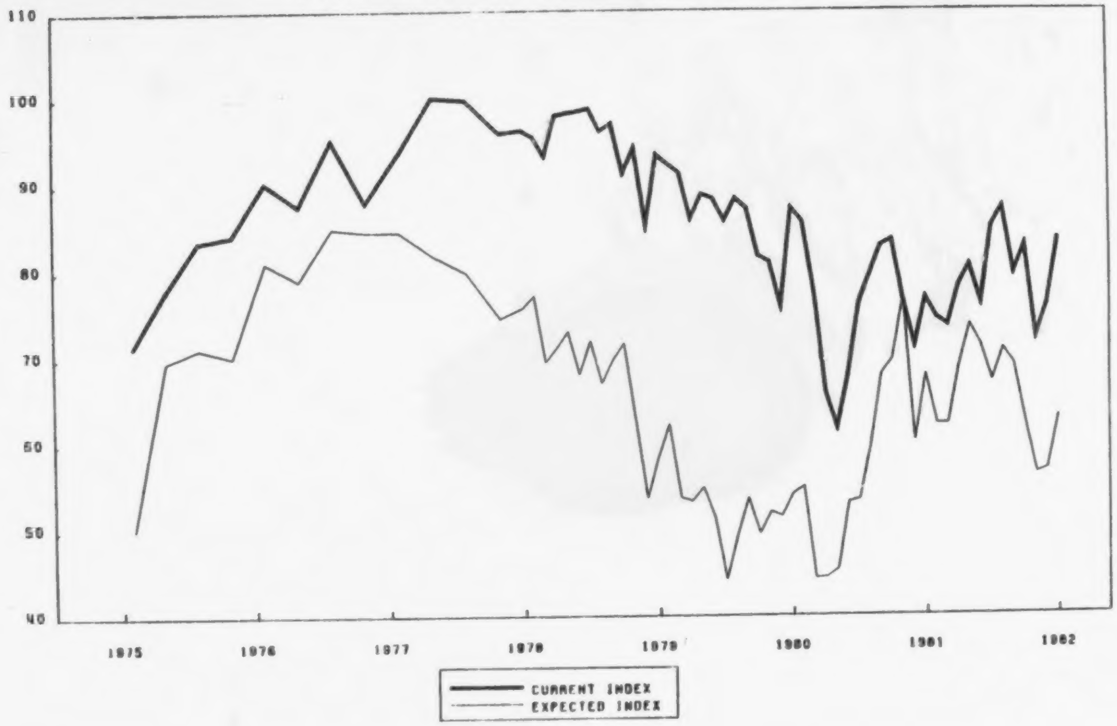
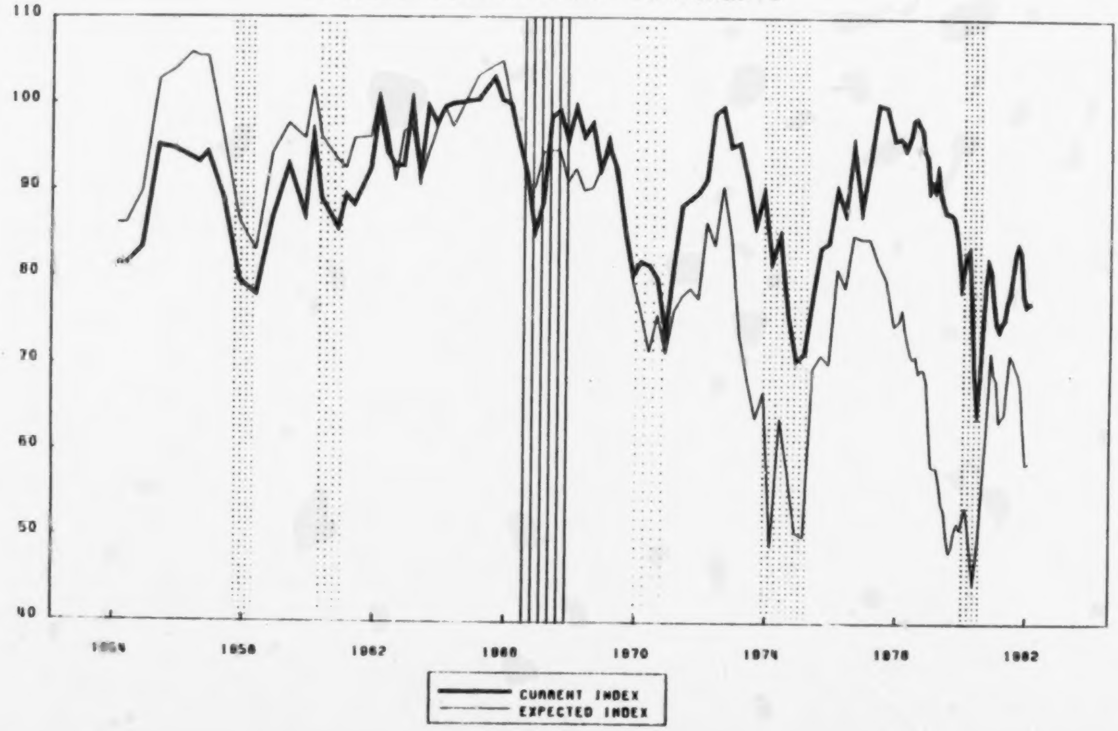


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



## TABLE 3

## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

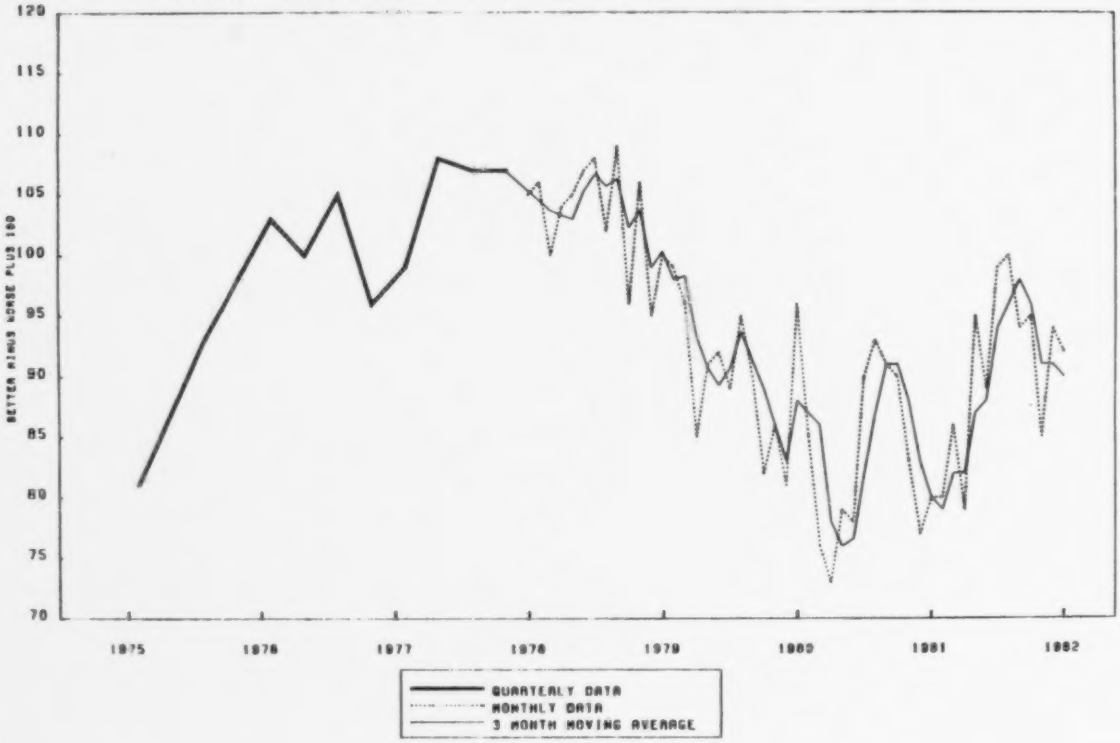
| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | | | |
| | Current | Expected | 12 months | 5 years | Buying conds. | Current Index | Expected Index |
| DATE OF SURVEY | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| January 1979 | 101 | 99 | 72 | 58 | 139 | 93.3 | 58.4 |
| February 1979 | 98 | 98 | 75 | 71 | 136 | 92.2 | 62.2 |
| March 1979 | 96 | 99 | 57 | 53 | 138 | 91.2 | 53.7 |
| April 1979 | 85 | 90 | 63 | 55 | 134 | 85.9 | 53.3 |
| May 1979 | 91 | 95 | 58 | 62 | 136 | 88.7 | 54.9 |
| June 1979 | 92 | 91 | 54 | 55 | 134 | 88.2 | 51.4 |
| July 1979 | 90 | 92 | 39 | 40 | 130 | 85.7 | 44.2 |
| August 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |
| January 1982 | 92 | 115 | 66 | 70 | 124 | 83.5 | 62.9 |

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

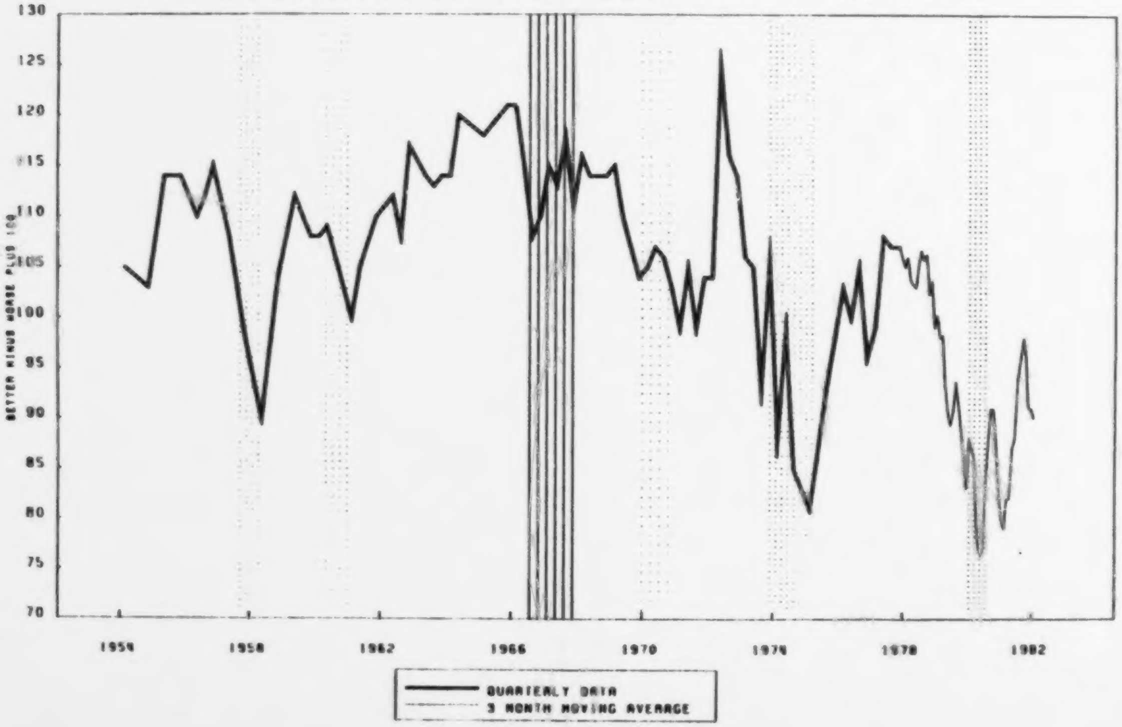
## CHART 4 - RECENT CHANGES

## CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## CHART 4 - HISTORICAL SERIES

## CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 25% | 27% | 29% | 25% | 31% | 29% | 34% | 33% | 32% | 31% | 29% | 32% | 32% |
| SAME | 30 | 26 | 28 | 28 | 32 | 31 | 30 | 33 | 29 | 32 | 27 | 29 | 28 |
| WORSE OFF | 45 | 47 | 43 | 46 | 36 | 40 | 35 | 33 | 38 | 36 | 44 | 38 | 40 |
| DK,NA | * | * | * | 1 | 1 | * | 1 | 1 | 1 | 1 | * | 1 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

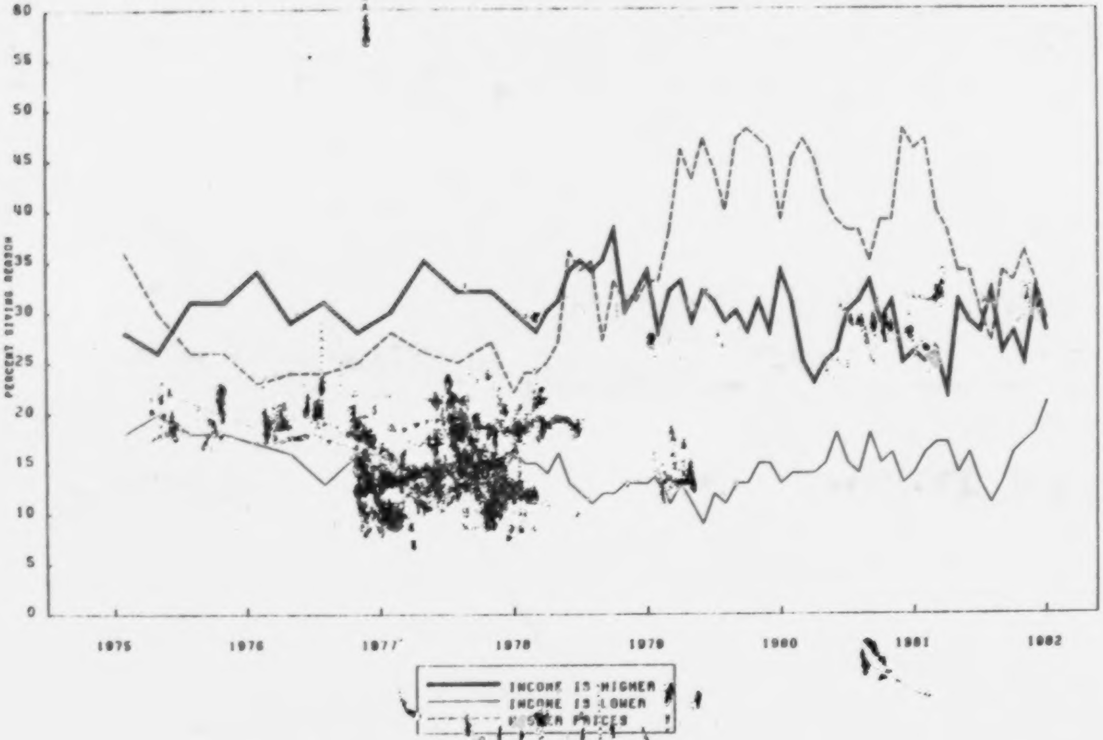
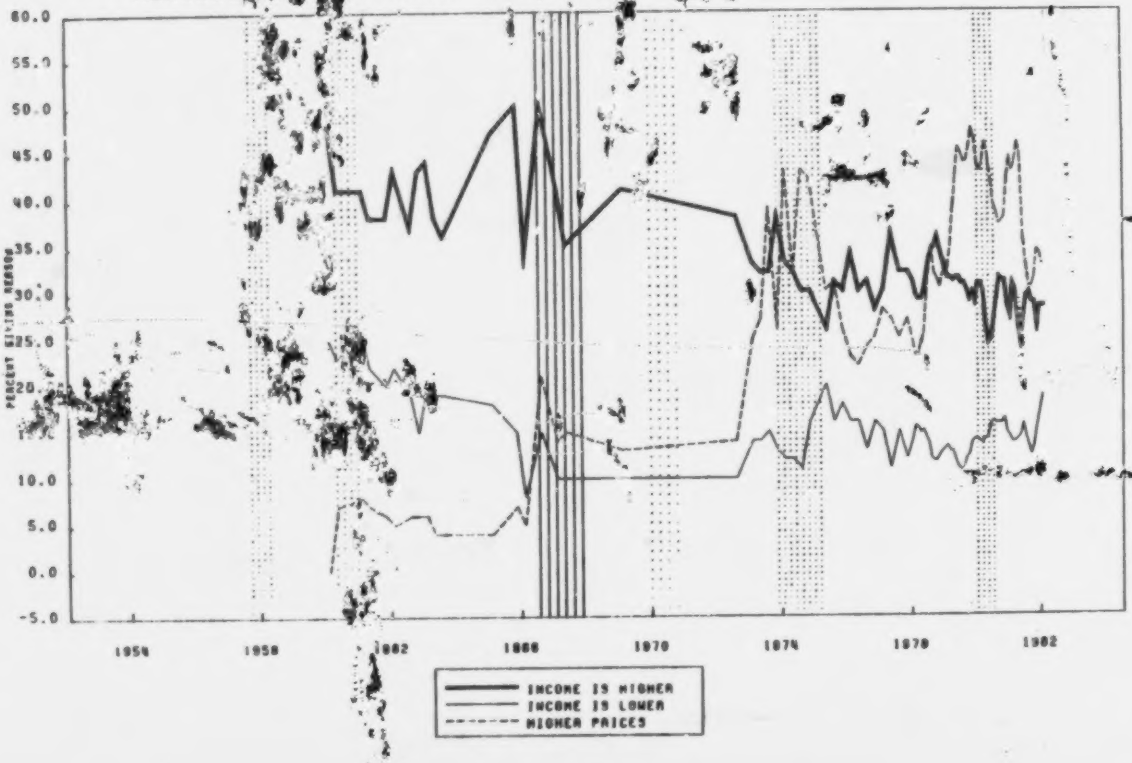


CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 26% | 25% | 26% | 22% | 31% | 29% | 28% | 32% | 26% | 28% | 25% | 32% | 28% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 14 | 16 | 17 | 17 | 14 | 16 | 13 | 11 | 13 | 16 | 17 | 18 | 21 |
| Higher prices | 46 | 47 | 40 | 38 | 34 | 34 | 30 | 27 | 34 | 33 | 36 | 33 | 29 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

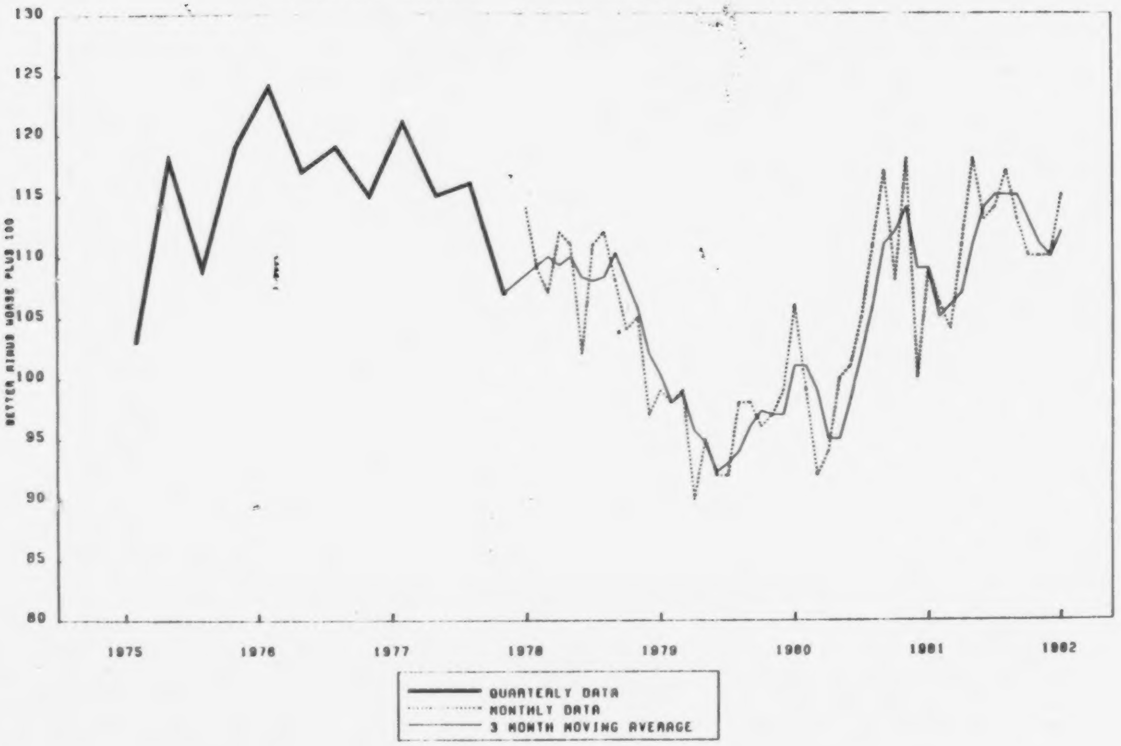
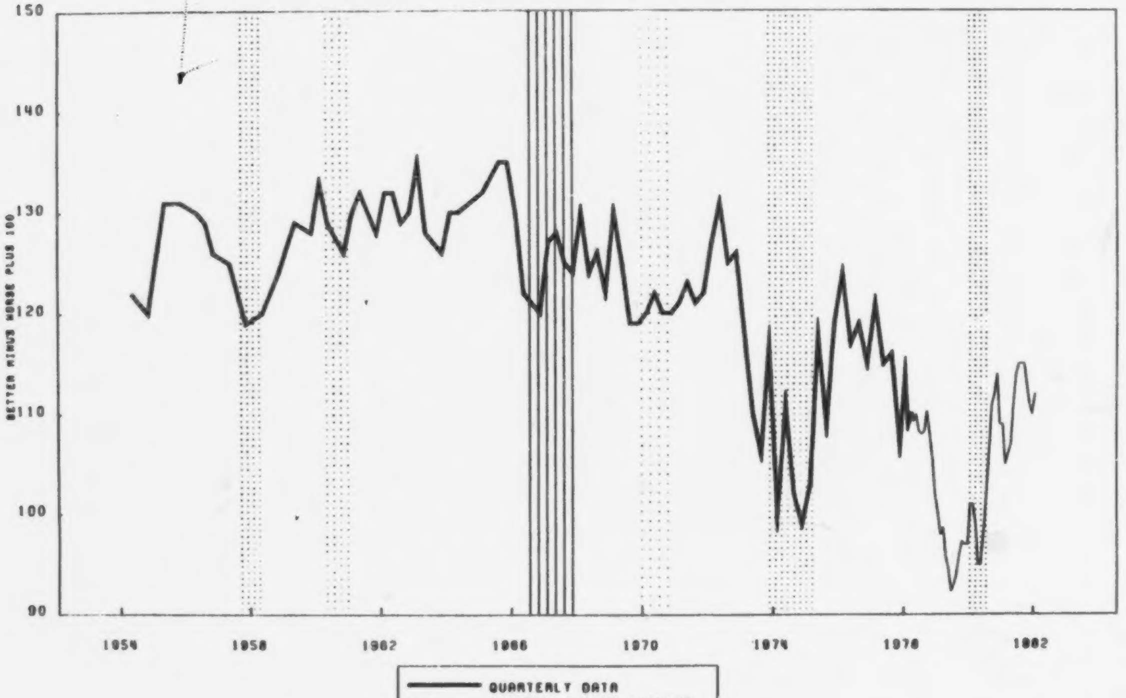


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION



## TABLE 6

## EXPECTED CHANGE IN FINANCIAL SITUATION

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 27% | 26% | 28% | 30% | 34% | 32% | 29% | 34% | 31% | 29% | 30% | 30% | 33% |
| SAME | 48 | 48 | 45 | 47 | 48 | 44 | 52 | 46 | 45 | 49 | 46 | 48 | 46 |
| WORSE OFF | 18 | 20 | 24 | 19 | 16 | 19 | 15 | 17 | 18 | 19 | 20 | 20 | 18 |
| DK,NA | 7 | 6 | 3 | 4 | 2 | 5 | 4 | 3 | 6 | 3 | 4 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 693 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

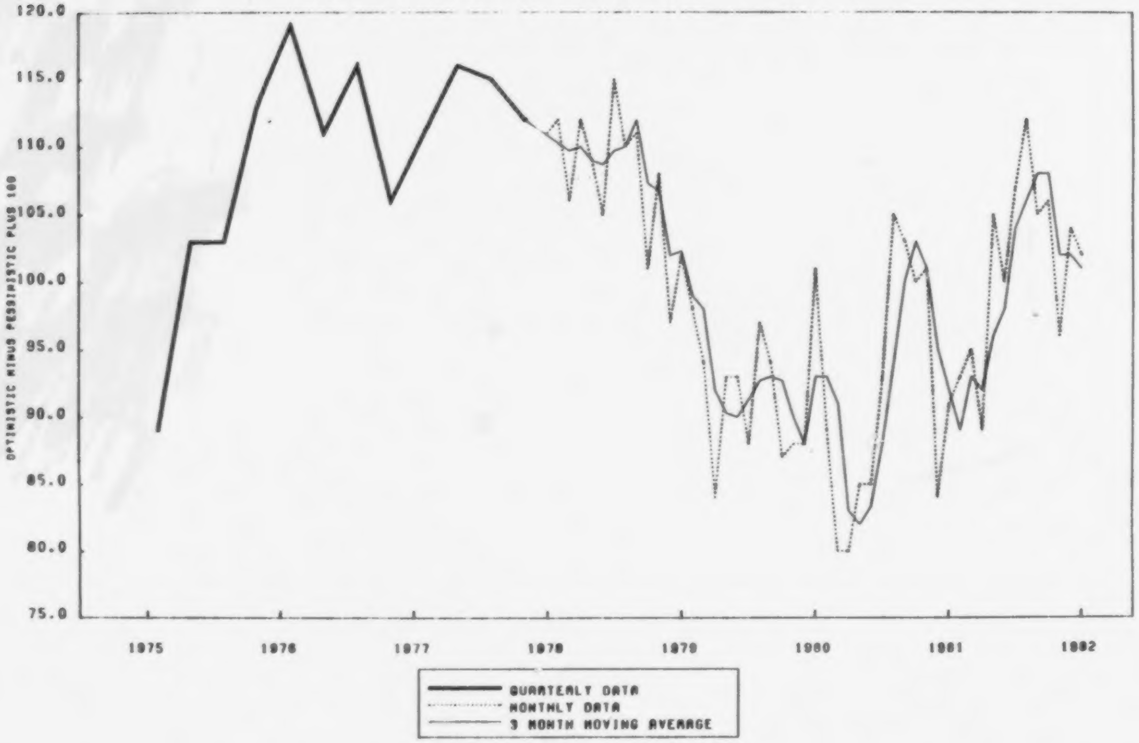
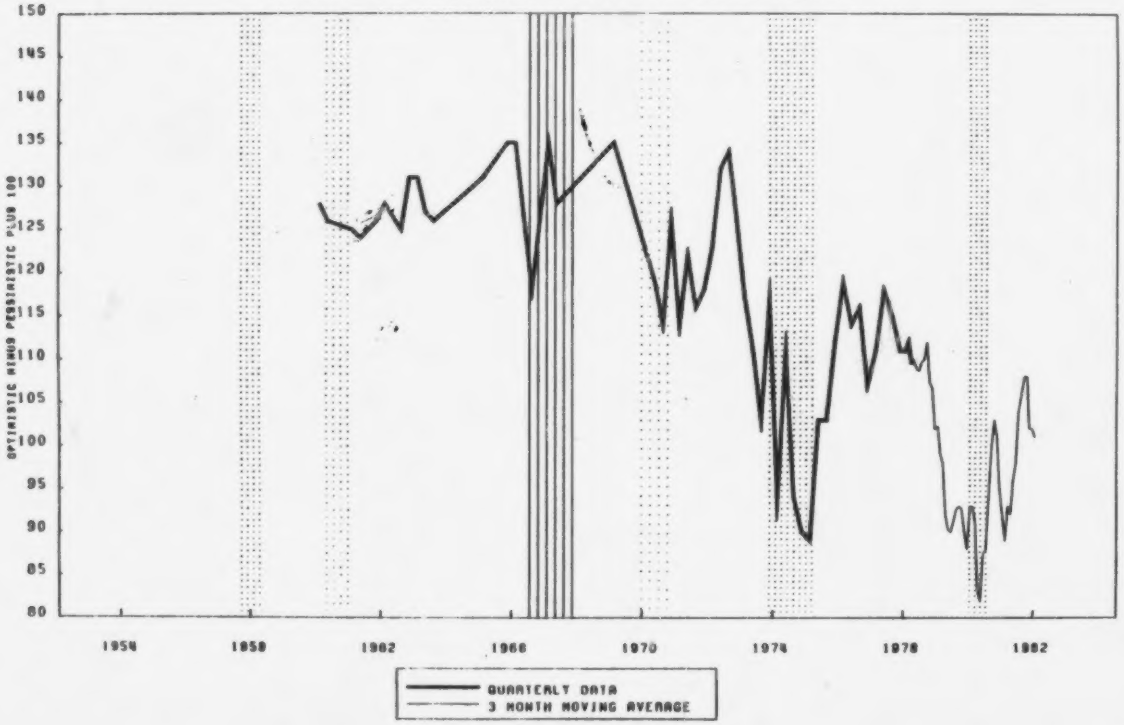


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

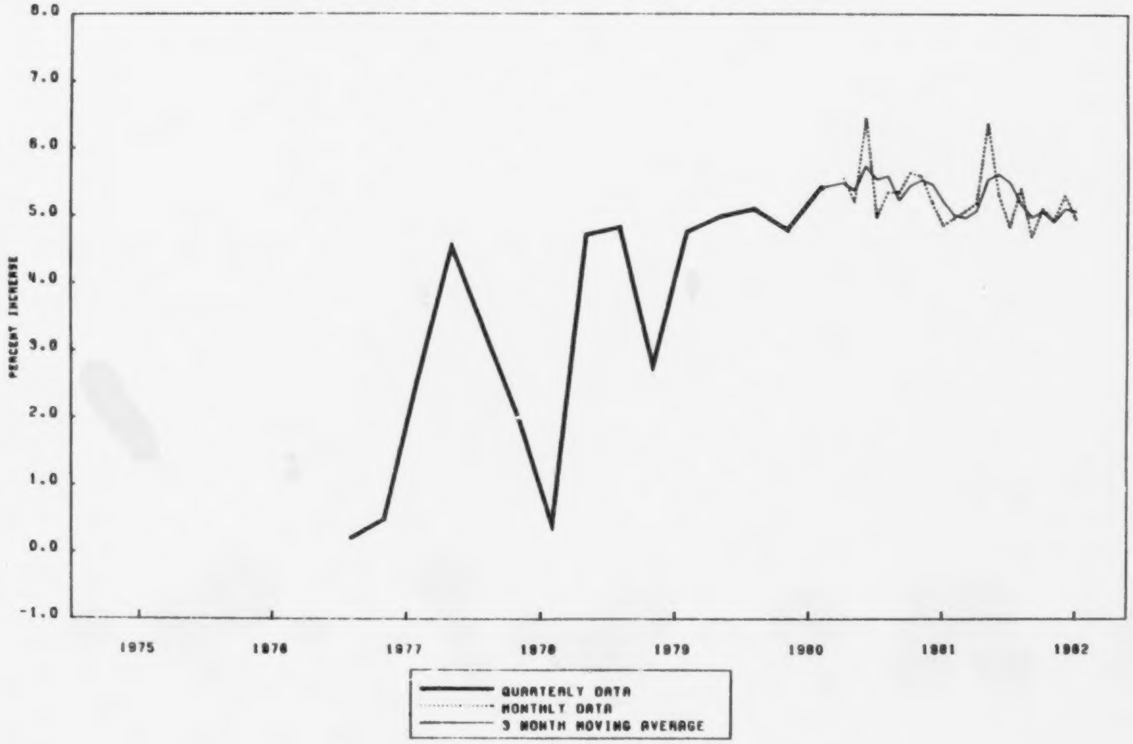
## TREND IN PERSONAL FINANCIAL SITUATION

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 10% | 8% | 12% | 11% | 15% | 13% | 15% | 14% | 16% | 13% | 13% | 13% | 15% |
| Intermittent increase (b) | 17 | 20 | 19 | 16 | 23 | 22 | 22 | 25 | 19 | 21 | 19 | 25 | 21 |
| Remain unchanged (c) | 16 | 15 | 15 | 14 | 15 | 14 | 19 | 18 | 17 | 21 | 14 | 14 | 15 |
| Intermittent decline (d) | 25 | 23 | 22 | 27 | 25 | 24 | 21 | 18 | 19 | 15 | 23 | 22 | 23 |
| Continuous decline (e) | 11 | 12 | 14 | 11 | 8 | 11 | 9 | 9 | 11 | 13 | 13 | 12 | 11 |
| Mixed change (f) | 14 | 16 | 14 | 15 | 12 | 11 | 9 | 12 | 12 | 14 | 14 | 11 | 12 |
| DK,NA | 7 | 6 | 4 | 6 | 2 | 5 | 5 | 4 | 6 | 3 | 4 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME



## TABLE 8

## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 6% | 8% | 7% | 6% | 6% | 6% | 7% | 5% | 6% | 6% | 5% | 5% | 7% |
| 5% | 8 | 7 | 9 | 8 | 10 | 10 | 7 | 8 | 9 | 10 | 9 | 9 | 10 |
| 6-9% | 10 | 10 | 11 | 11 | 11 | 10 | 10 | 9 | 10 | 13 | 8 | 10 | 11 |
| 10-24% | 21 | 20 | 21 | 22 | 28 | 25 | 21 | 27 | 23 | 21 | 23 | 24 | 22 |
| 25% or more | 6 | 7 | 7 | 7 | 8 | 7 | 10 | 6 | 6 | 6 | 8 | 8 | 7 |
| DK how much up | 9 | 9 | 9 | 9 | 7 | 7 | 5 | 6 | 6 | 6 | 4 | 6 | 4 |
| EXPECT SAME | 24 | 24 | 21 | 25 | 19 | 21 | 24 | 26 | 27 | 24 | 25 | 21 | 23 |
| EXPECT DOWN | 12 | 11 | 12 | 10 | 8 | 11 | 13 | 9 | 12 | 12 | 15 | 15 | 14 |
| DK,NA | 4 | 4 | 3 | 2 | 3 | 3 | 3 | 4 | 1 | 2 | 3 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

## TABLE 9

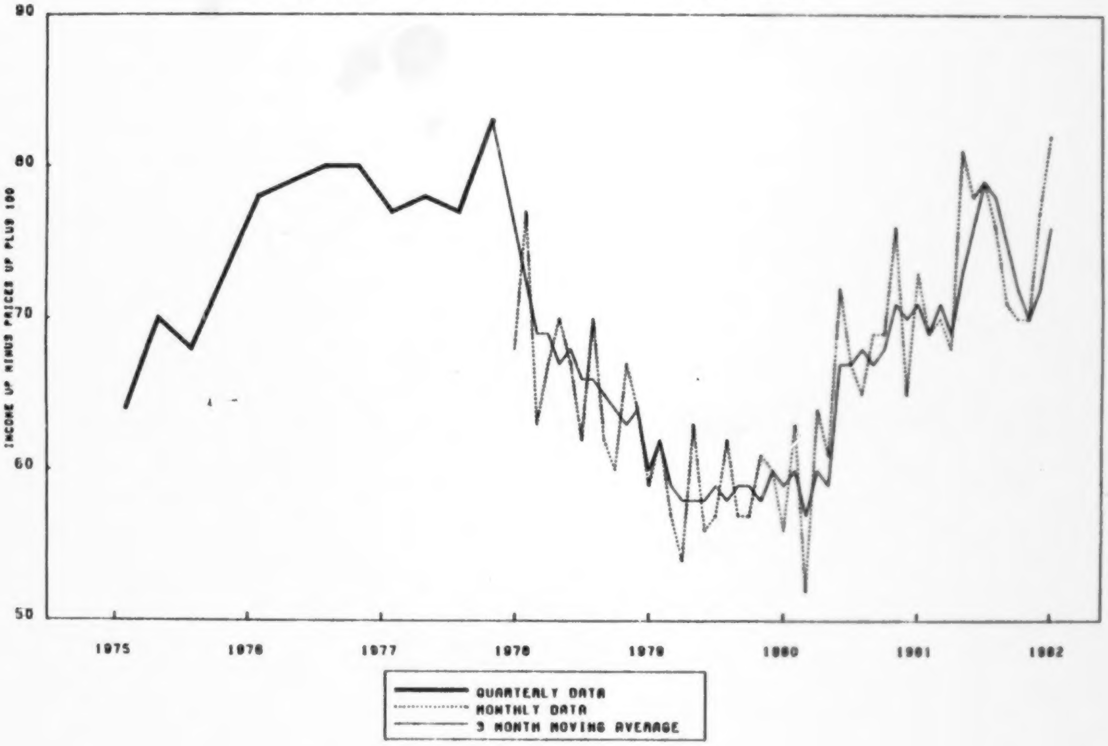
## PAST CHANGE IN REAL FAMILY INCOME

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 13% | 10% | 13% | 9% | 12% | 13% | 13% | 14% | 13% | 13% | 12% | 17% | 17% |
| INCOME UP SAME | 25 | 28 | 24 | 26 | 28 | 26 | 25 | 29 | 31 | 30 | 27 | 32 | 30 |
| PRICES UP MORE | 60 | 59 | 61 | 64 | 59 | 59 | 58 | 56 | 56 | 55 | 59 | 50 | 51 |
| DK,NA | 2 | 3 | 2 | 1 | 1 | 2 | 4 | 1 | * | 2 | 2 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



## TABLE 10

### EXPECTED CHANGE IN REAL FAMILY INCOME

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 14% | 11% | 14% | 13% | 19% | 16% | 17% | 16% | 13% | 14% | 13% | 17% | 17% |
| INCOME UP SAME | 39 | 43 | 38 | 39 | 41 | 43 | 41 | 40 | 42 | 40 | 41 | 41 | 45 |
| PRICES UP MORE | 41 | 42 | 44 | 45 | 38 | 38 | 38 | 40 | 42 | 44 | 43 | 40 | 35 |
| DK,NA | 6 | 4 | 4 | 3 | 2 | 3 | 4 | 4 | 3 | 2 | 3 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

## TABLE 11

## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 6% | 4% | 6% | 4% | 6% | 6% | 8% | 7% | 5% | 5% | 5% | 8% | 9% |
| Intermittent increase (b) | 8 | 8 | 9 | 7 | 10 | 10 | 7 | 8 | 11 | 10 | 8 | 12 | 11 |
| Remain unchanged (c) | 17 | 18 | 14 | 17 | 16 | 17 | 16 | 20 | 19 | 18 | 17 | 19 | 19 |
| Intermittent decline (d) | 22 | 25 | 26 | 25 | 25 | 25 | 25 | 21 | 24 | 21 | 26 | 22 | 25 |
| Continuous decline (e) | 35 | 35 | 35 | 38 | 31 | 32 | 32 | 32 | 34 | 35 | 34 | 30 | 28 |
| Mixed change (f) | 6 | 5 | 5 | 6 | 9 | 6 | 7 | 8 | 4 | 8 | 6 | 6 | 5 |
| DK,NA | 6 | 5 | 5 | 3 | 3 | 4 | 5 | 4 | 3 | 3 | 4 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 630 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

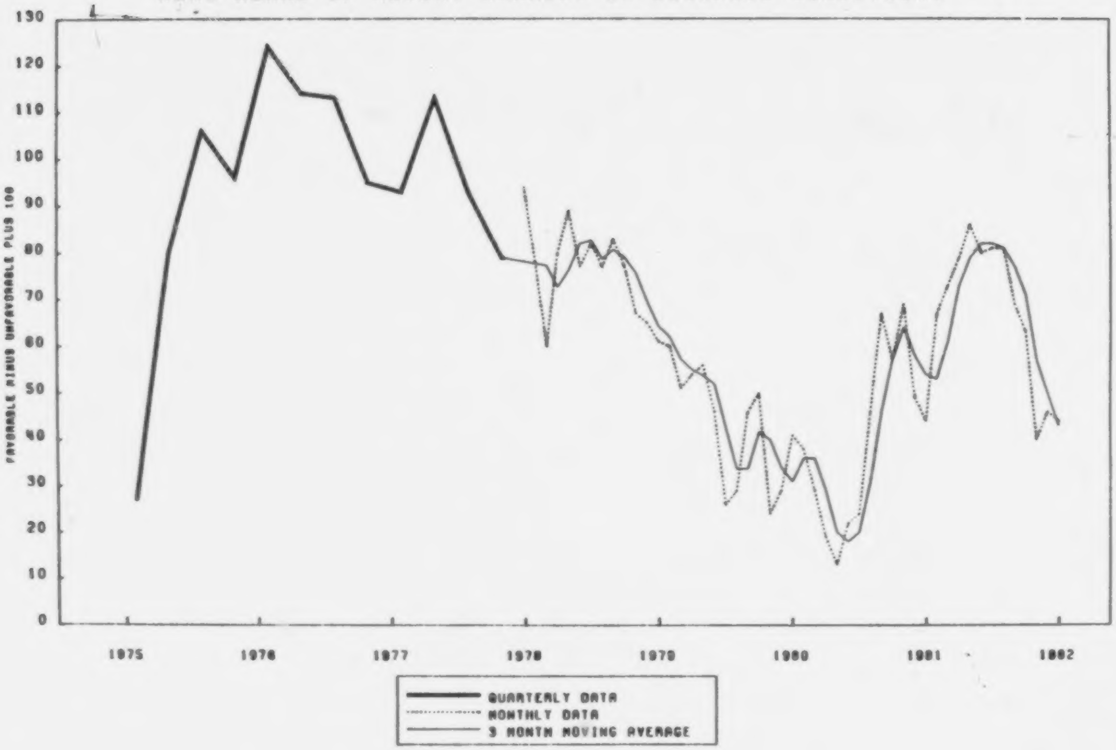
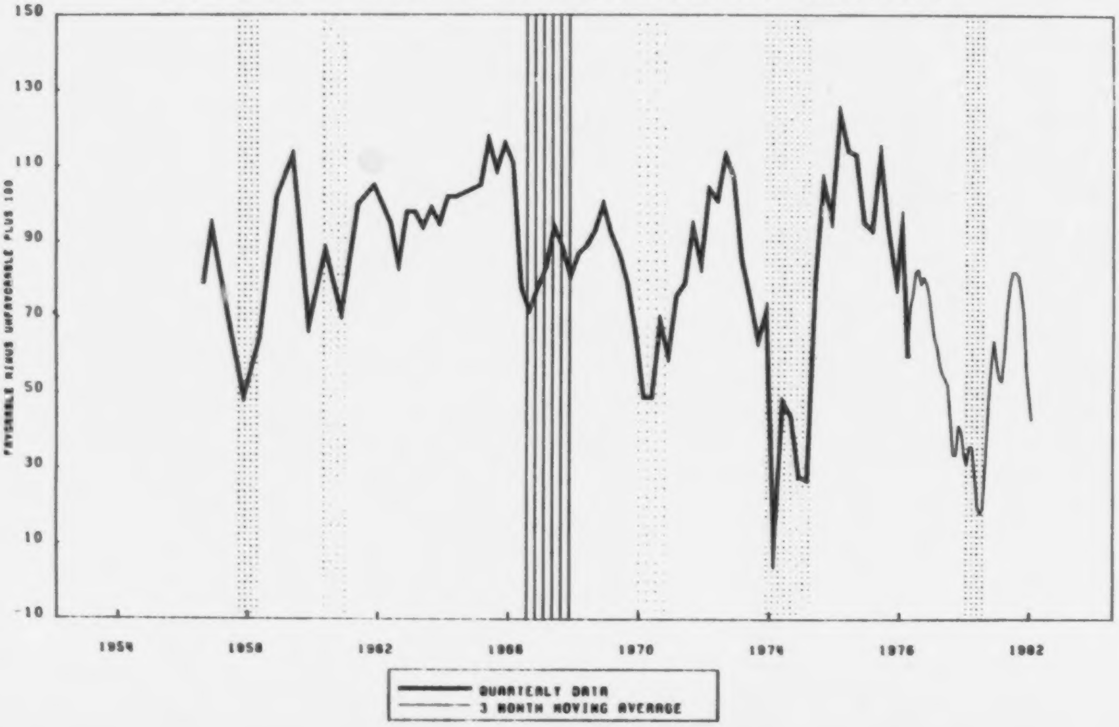


CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

### NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 19% | 23% | 30% | 28% | 31% | 24% | 27% | 28% | 24% | 22% | 14% | 23% | 23% |
| UNFAVORABLE NEWS | 75 | 56 | 57 | 49 | 45 | 44 | 46 | 47 | 55 | 59 | 74 | 77 | 79 |
| NO MENTIONS | 39 | 46 | 42 | 47 | 47 | 52 | 51 | 48 | 47 | 45 | 43 | 37 | 33 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

## TABLE 13

### SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 4% | 9% | 9% | 6% | 4% | 6% | 4% | 7% | 8% | 5% | 3% | 4% | 4% |
| Employment | 4 | 5 | 8 | 7 | 8 | 4 | 7 | 8 | 6 | 4 | 2 | 4 | 5 |
| Consumer demand high | 2 | 1 | 1 | 3 | 4 | 1 | 3 | 2 | 1 | 1 | 1 | 1 | 1 |
| Prices are low | * | 1 | 1 | 2 | 2 | 3 | 4 | 2 | * | 1 | * | 1 | 2 |
| Credit is easy | 3 | 3 | 4 | 5 | 2 | 2 | 2 | 2 | 2 | 3 | 4 | 10 | 6 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 4 | 5 | 7 | 7 | 4 | 4 | 5 | 6 | 5 | 5 | 3 | 4 | 5 |
| Unemployment | 19 | 15 | 19 | 19 | 14 | 16 | 16 | 17 | 19 | 20 | 28 | 32 | 35 |
| Consumer demand low | 14 | 9 | 10 | 6 | 6 | 3 | 4 | 5 | 3 | 6 | 10 | 11 | 11 |
| Prices are high | 11 | 10 | 6 | 6 | 4 | 5 | 5 | 3 | 5 | 3 | 7 | 4 | 5 |
| Credit is tight | 14 | 7 | 4 | 4 | 7 | 9 | 7 | 7 | 10 | 10 | 11 | 8 | 6 |
| Energy crisis | 1 | * | 1 | * | * | * | * | 1 | 1 | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

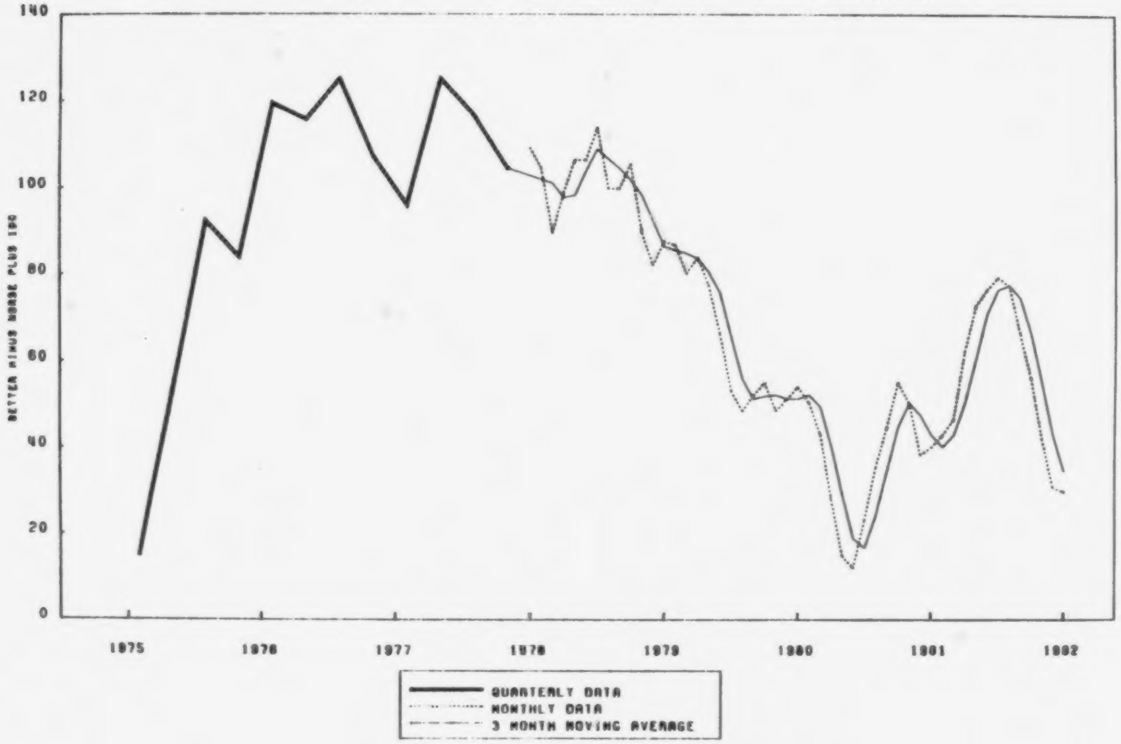
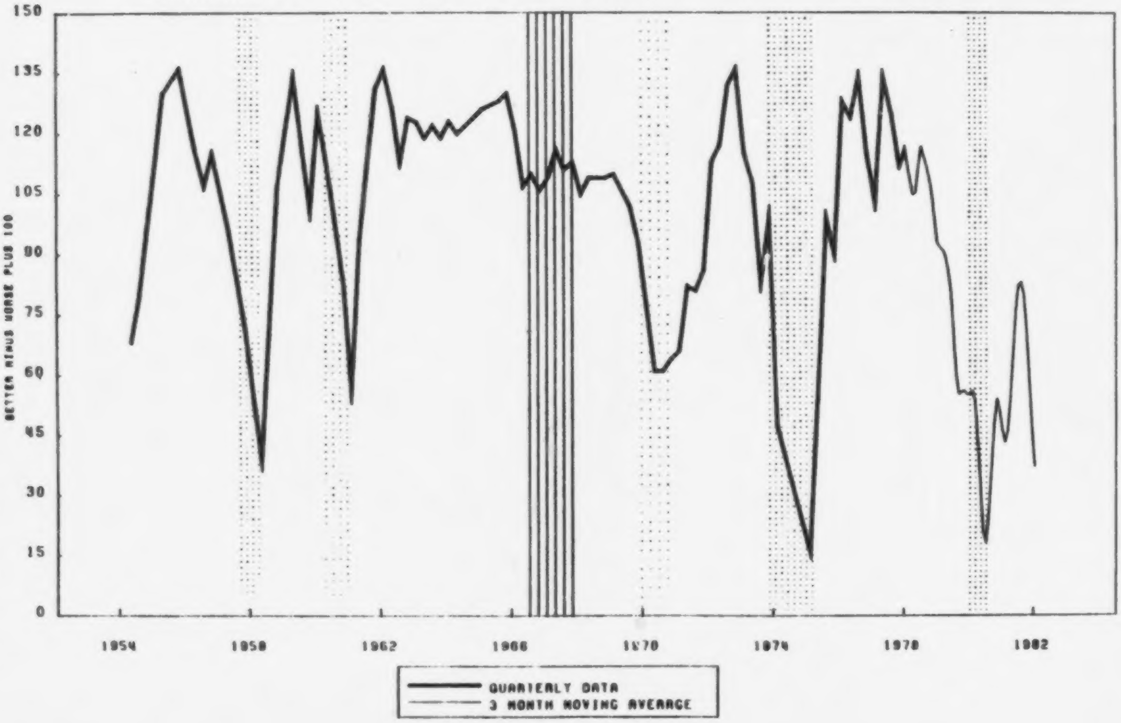


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 14% | 14% | 17% | 24% | 30% | 31% | 32% | 33% | 28% | 23% | 15% | 13% | 11% |
| SAME | 13 | 15 | 14 | 17 | 17 | 18 | 18 | 15 | 12 | 12 | 12 | 6 | 8 |
| WORSE NOW | 71 | 68 | 67 | 57 | 52 | 49 | 47 | 50 | 57 | 63 | 70 | 80 | 79 |
| DK,NA | 2 | 3 | 2 | 2 | 1 | 2 | 3 | 2 | 3 | 2 | 3 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

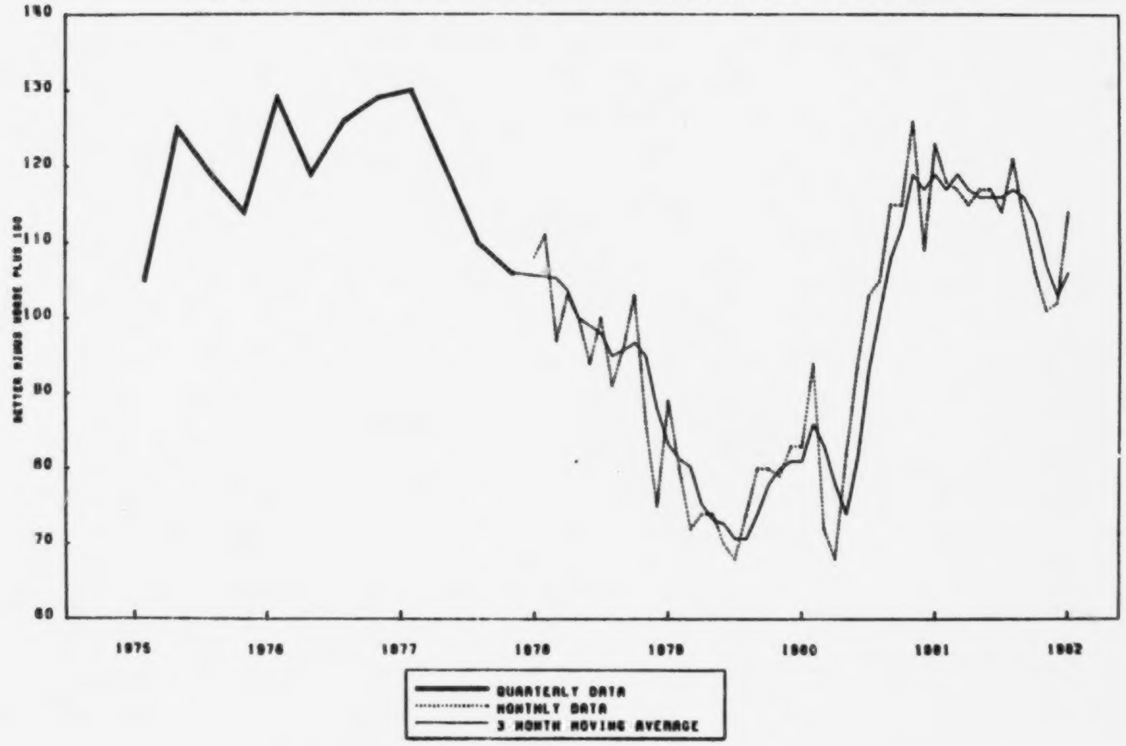
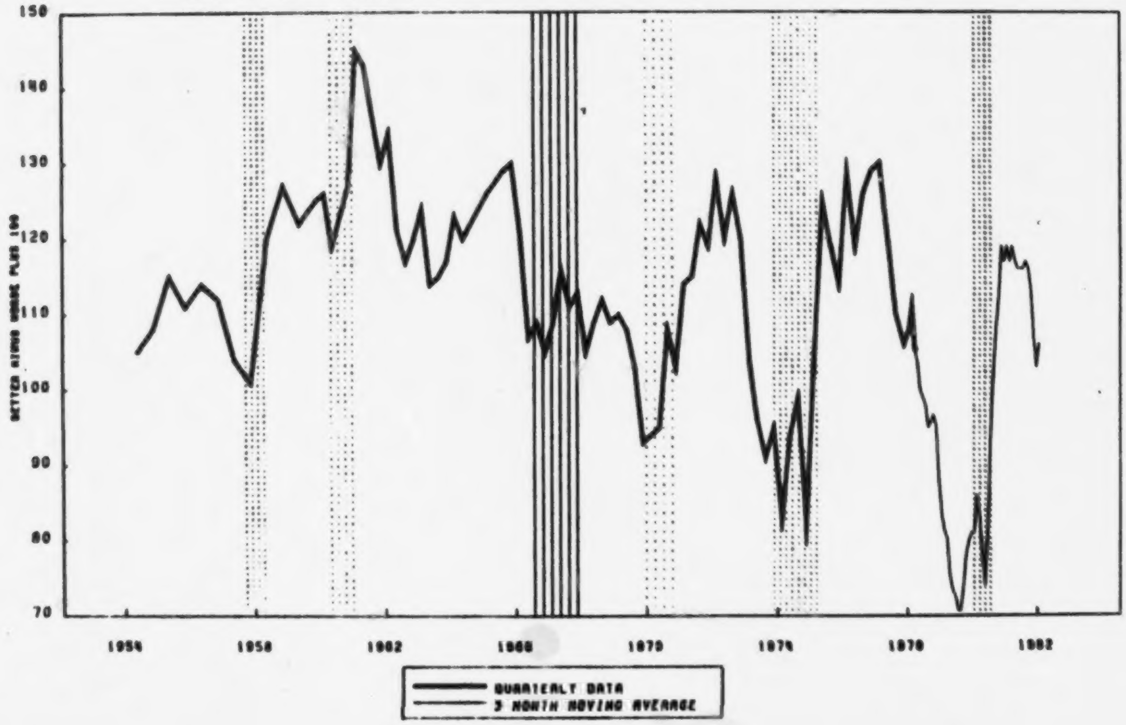


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 39% | 34% | 38% | 36% | 36% | 36% | 34% | 38% | 32% | 31% | 27% | 31% | 38% |
| SAME | 42 | 46 | 38 | 41 | 44 | 42 | 44 | 43 | 45 | 41 | 44 | 37 | 36 |
| WORSE | 16 | 16 | 21 | 21 | 19 | 19 | 20 | 17 | 19 | 25 | 26 | 29 | 24 |
| DK,NA | 3 | 4 | 3 | 2 | 1 | 3 | 2 | 2 | 4 | 3 | 3 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | [illegible]3 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

## TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 35% | 32% | 32% | 31% | 25% | 25% | 21% | 29% | 24% | 19% | 15% | 15% | 19% |
| Employment | 4 | 2 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 6 | 3 | 2 | 5 |
| Higher consumer demand | 2 | 3 | 2 | 2 | 2 | 3 | 2 | 3 | 4 | 2 | 2 | 3 | 3 |
| Lower prices | 2 | 2 | 3 | 2 | 3 | 2 | 4 | 3 | 2 | 1 | 1 | 2 | 3 |
| Easier credit | 4 | 2 | 2 | 2 | 3 | 4 | 3 | 4 | 4 | 6 | 7 | 9 | 5 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 7 | 7 | 9 | 8 | 8 | 12 | 11 | 12 | 11 | 15 | 10 | 12 | 11 |
| Unemployment | 7 | 6 | 6 | 6 | 5 | 8 | 9 | 6 | 7 | 7 | 12 | 15 | 12 |
| Lower consumer demand | 5 | 4 | 4 | 5 | 4 | 4 | 5 | 3 | 6 | 4 | 6 | 7 | 6 |
| Higher prices | 8 | 12 | 8 | 10 | 6 | 8 | 7 | 4 | 9 | 7 | 8 | 8 | 5 |
| Tighter credit | 4 | 2 | 2 | 2 | 3 | 3 | 5 | 6 | 8 | 5 | 5 | 4 | 4 |
| Energy crisis | 1 | 1 | 1 | * | * | 1 | * | * | * | 1 | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

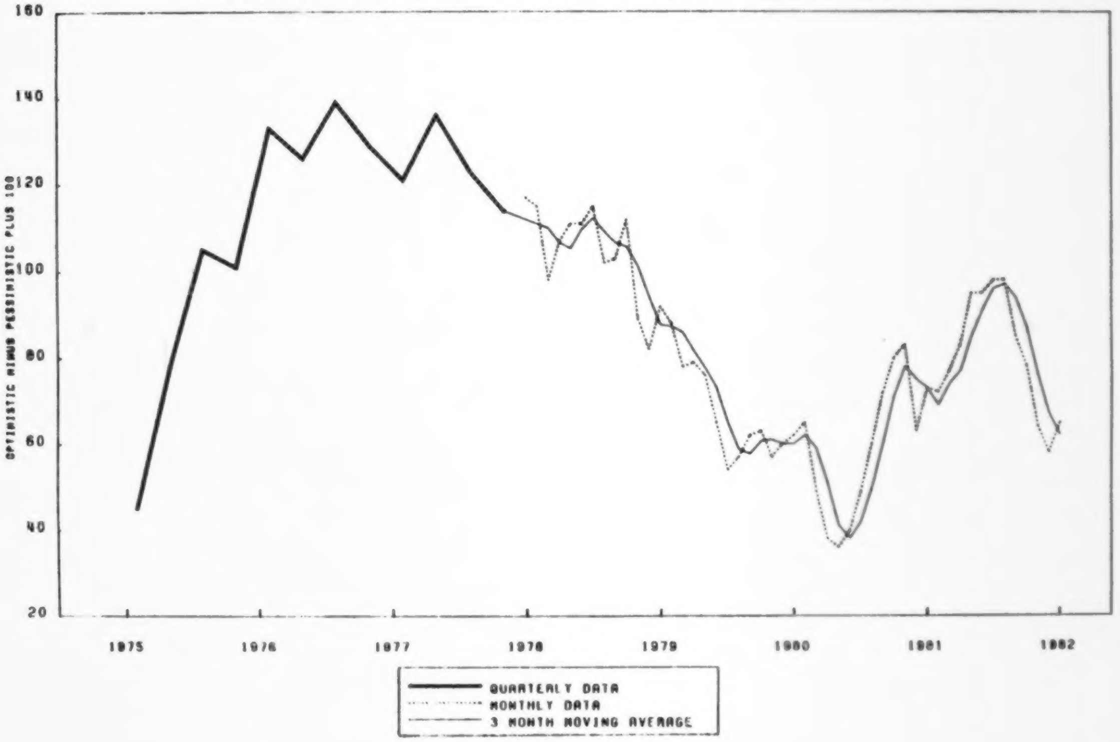
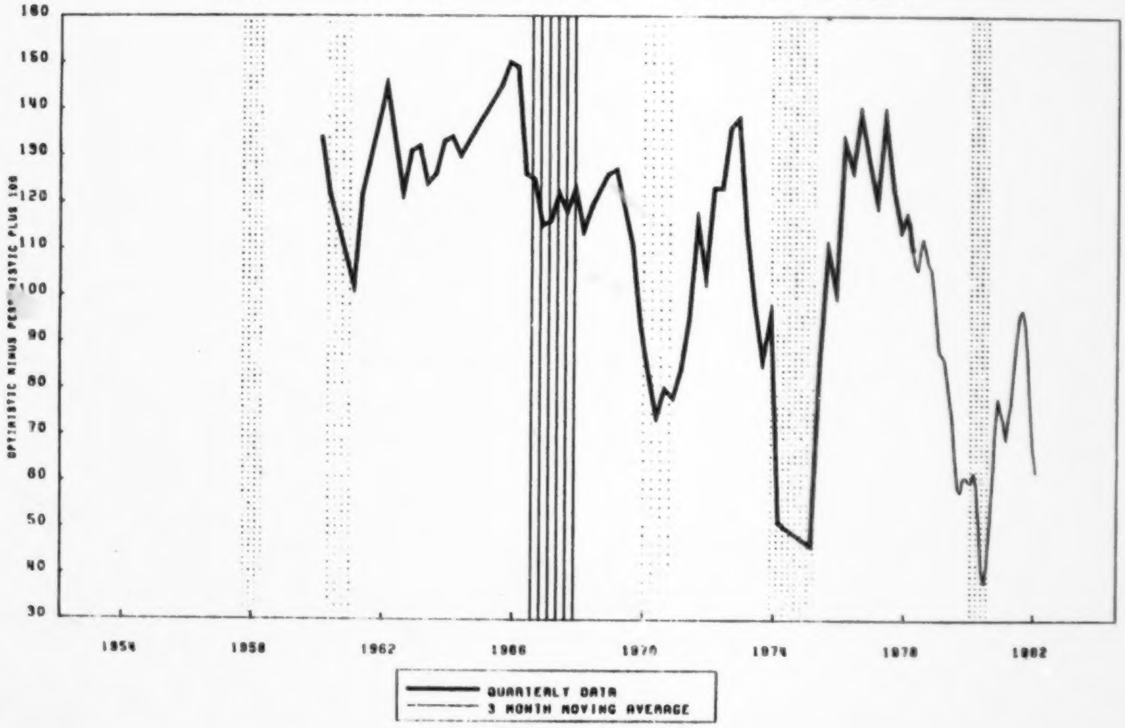


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## TABLE 17

### TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 6% | 7% | 9% | 15% | 14% | 19% | 15% | 18% | 14% | 12% | 6% | 5% | 6% |
| Intermittent increase (b) | 11 | 12 | 12 | 13 | 17 | 16 | 21 | 17 | 16 | 14 | 11 | 8 | 9 |
| Remain unchanged (c) | 7 | 7 | 6 | 8 | 10 | 8 | 8 | 7 | 6 | 4 | 6 | 3 | 3 |
| Intermittent decline (d) | 30 | 33 | 27 | 29 | 24 | 25 | 24 | 25 | 29 | 27 | 31 | 29 | 27 |
| Continuous decline (e) | 14 | 14 | 17 | 16 | 12 | 15 | 14 | 12 | 16 | 21 | 22 | 26 | 23 |
| Mixed change (f) | 27 | 21 | 25 | 16 | 20 | 12 | 13 | 18 | 14 | 17 | 18 | 25 | 29 |
| DK,NA | 5 | 6 | 4 | 3 | 3 | 5 | 5 | 3 | 5 | 5 | 6 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

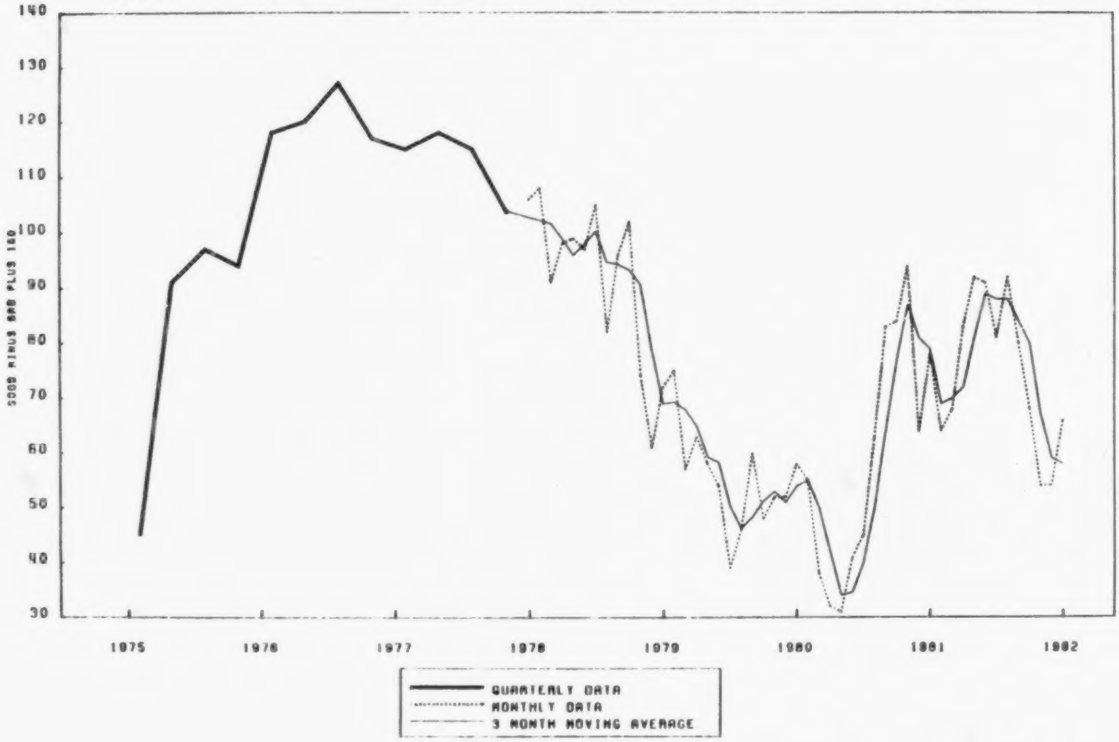
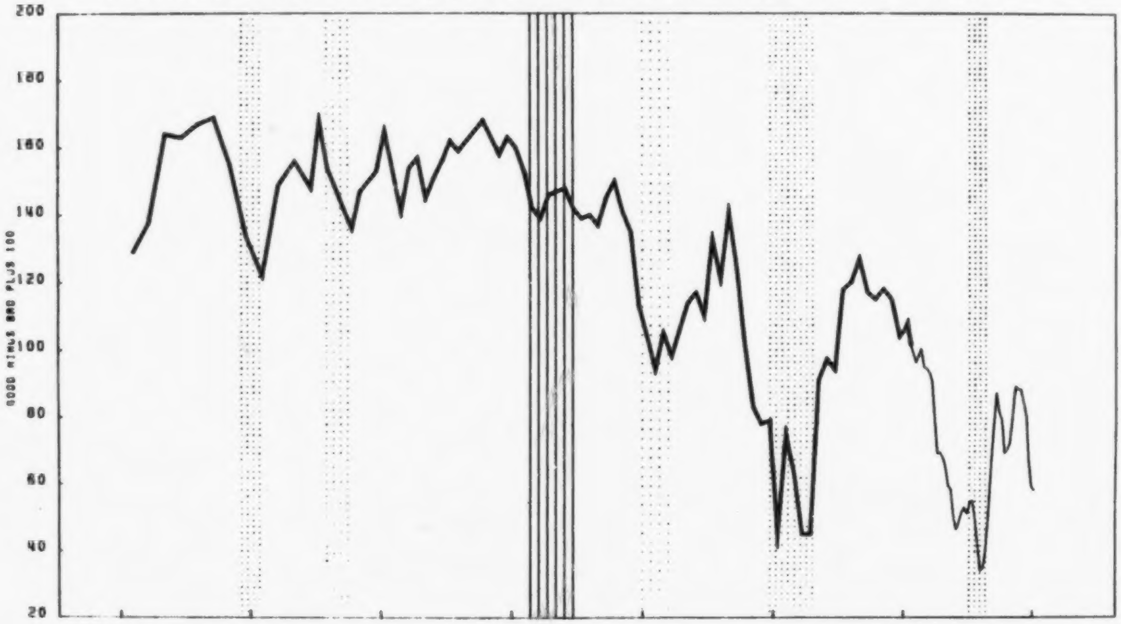


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



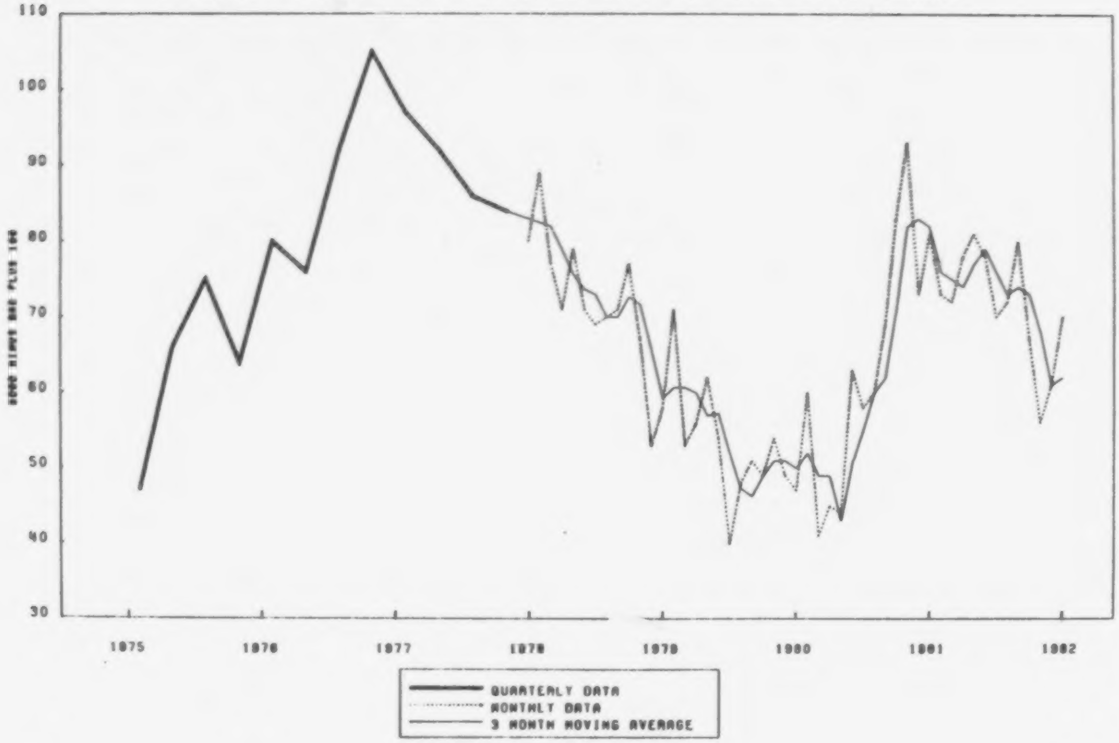
## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

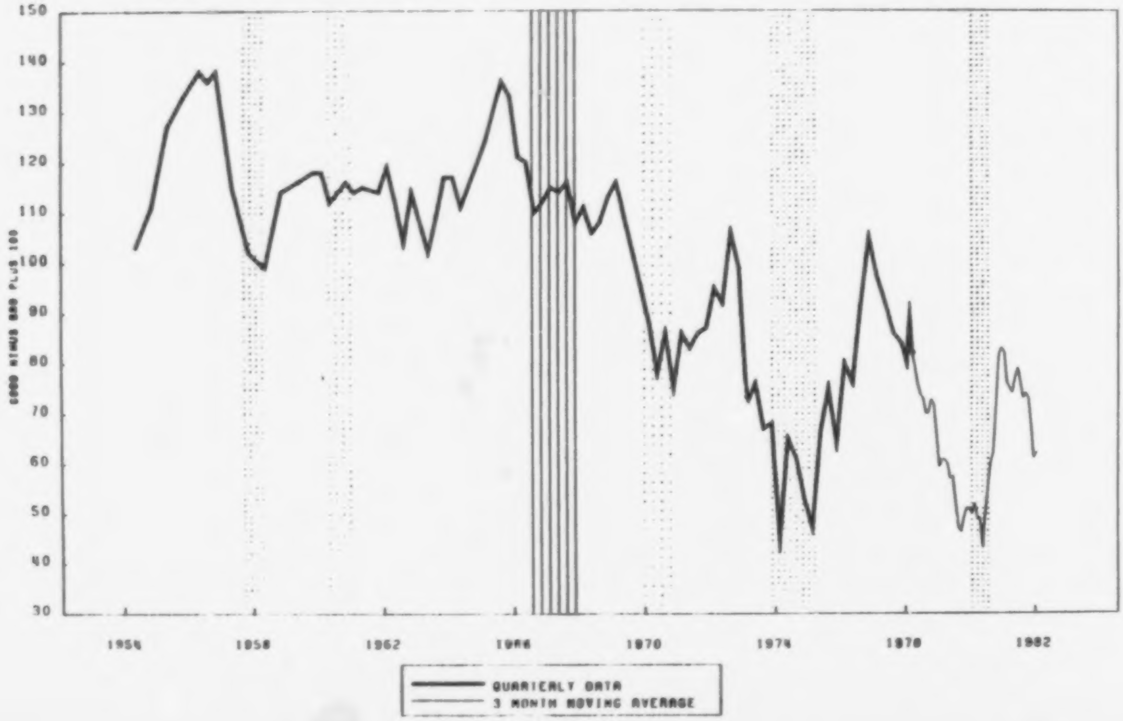
| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 31% | 26% | 27% | 36% | 41% | 41% | 35% | 40% | 33% | 25% | 21% | 23% | 30% |
| UNCERTAIN; GOOD & BAD | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 4 | 3 | 3 | 4 | 2 | 1 |
| BAD TIMES | 53 | 62 | 59 | 53 | 49 | 50 | 54 | 48 | 53 | 57 | 67 | 69 | 64 |
| DON'T KNOW | 10 | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 6 | 8 | 6 | 4 | 3 |
| NOT ASCERTAINED | 4 | 4 | 5 | 2 | 2 | 2 | 4 | 3 | 5 | 7 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

## CHART 19 - RECENT CHANGES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## CHART 19 - HISTORICAL SERIES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 30% | 28% | 27% | 30% | 33% | 33% | 27% | 28% | 30% | 24% | 18% | 20% | 28% |
| UNCERTAIN; GOOD & BAD | 15 | 12 | 14 | 13 | 11 | 9 | 11 | 12 | 16 | 14 | 17 | 17 | 11 |
| BAD TIMES | 49 | 55 | 55 | 52 | 52 | 55 | 57 | 56 | 50 | 57 | 62 | 59 | 58 |
| NOT ASCERTAINED | 6 | 5 | 4 | 5 | 4 | 3 | 5 | 4 | 4 | 5 | 3 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

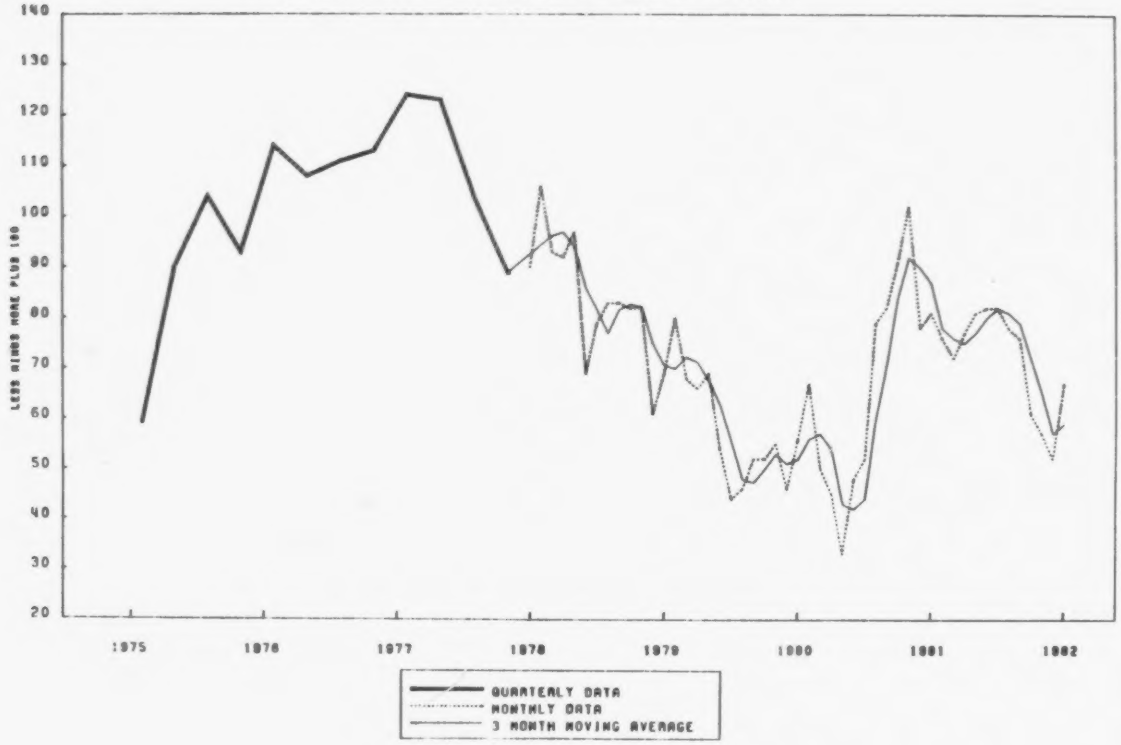
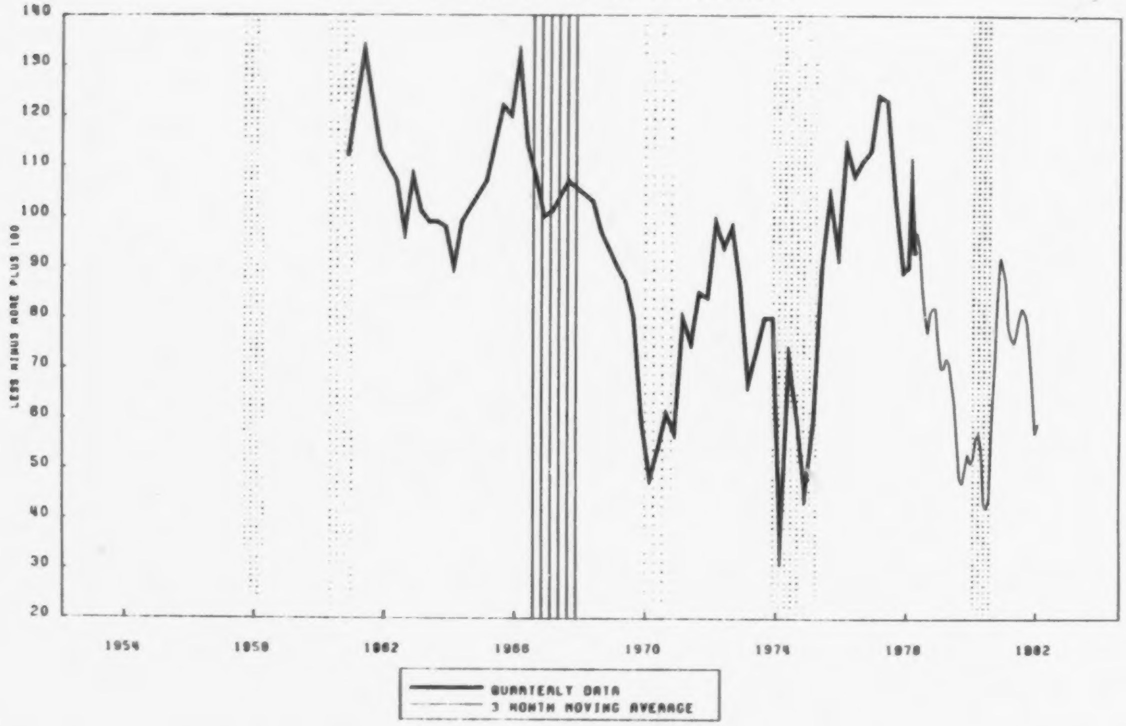


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



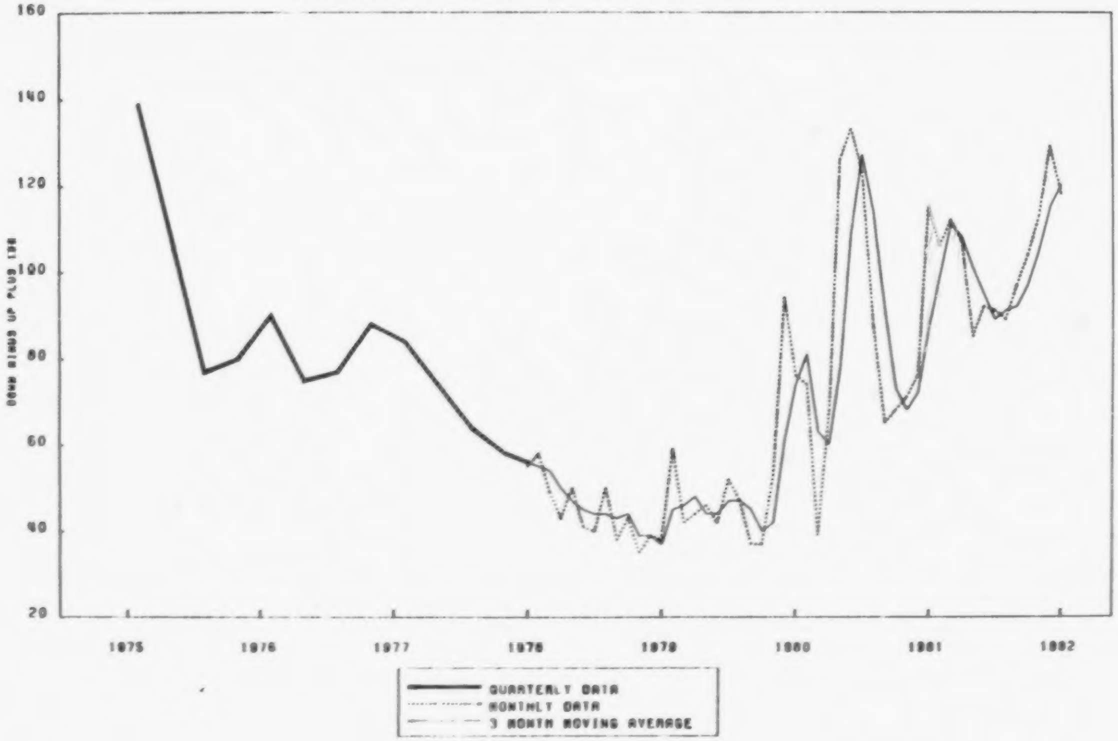
## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

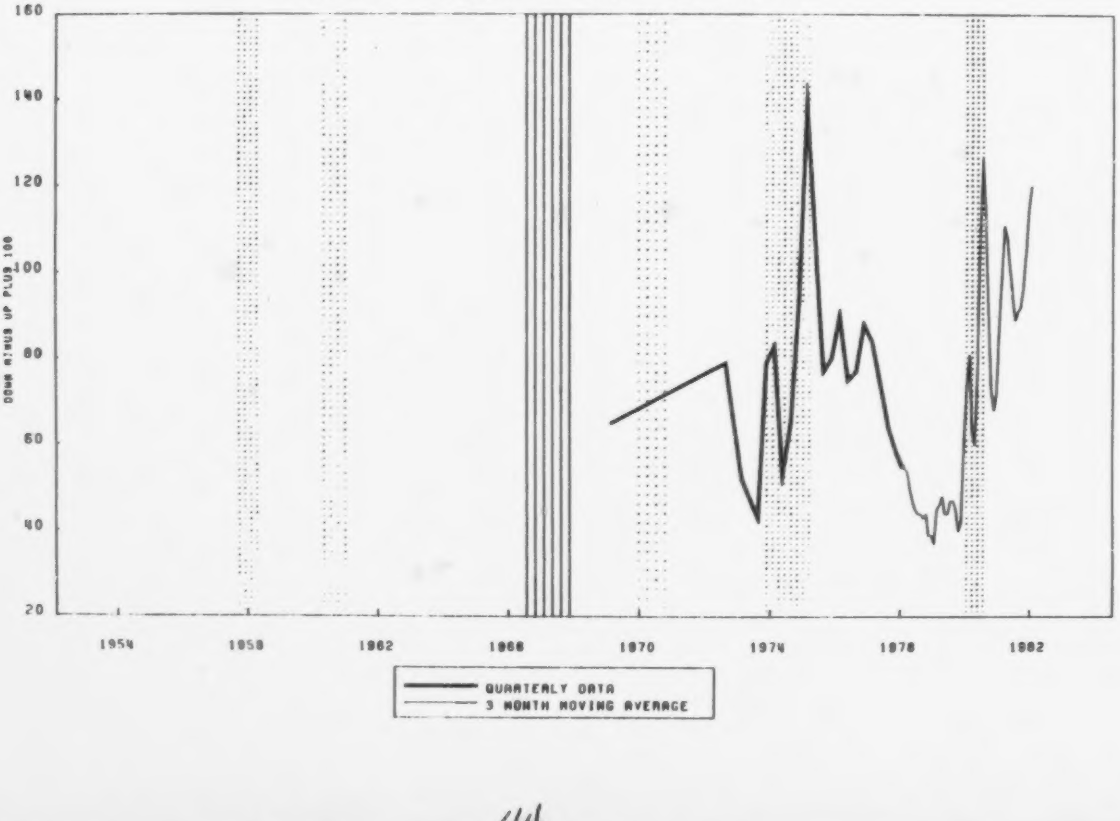
| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 19% | 16% | 13% | 17% | 17% | 18% | 18% | 14% | 15% | 11% | 11% | 11% | 16% |
| SAME | 41 | 42 | 43 | 41 | 46 | 44 | 44 | 47 | 45 | 38 | 33 | 28 | 34 |
| MORE | 38 | 40 | 41 | 40 | 36 | 36 | 36 | 36 | 39 | 50 | 54 | 59 | 49 |
| DK,NA | 2 | 2 | 3 | 2 | 1 | 2 | 2 | 3 | 1 | 1 | 2 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

## CHART 21 - RECENT CHANGES
## EXPECTED CHANGE IN INTEREST RATES



## CHART 21 - HISTORICAL SERIES
## EXPECTED CHANGE IN INTEREST RATES



## TABLE 21

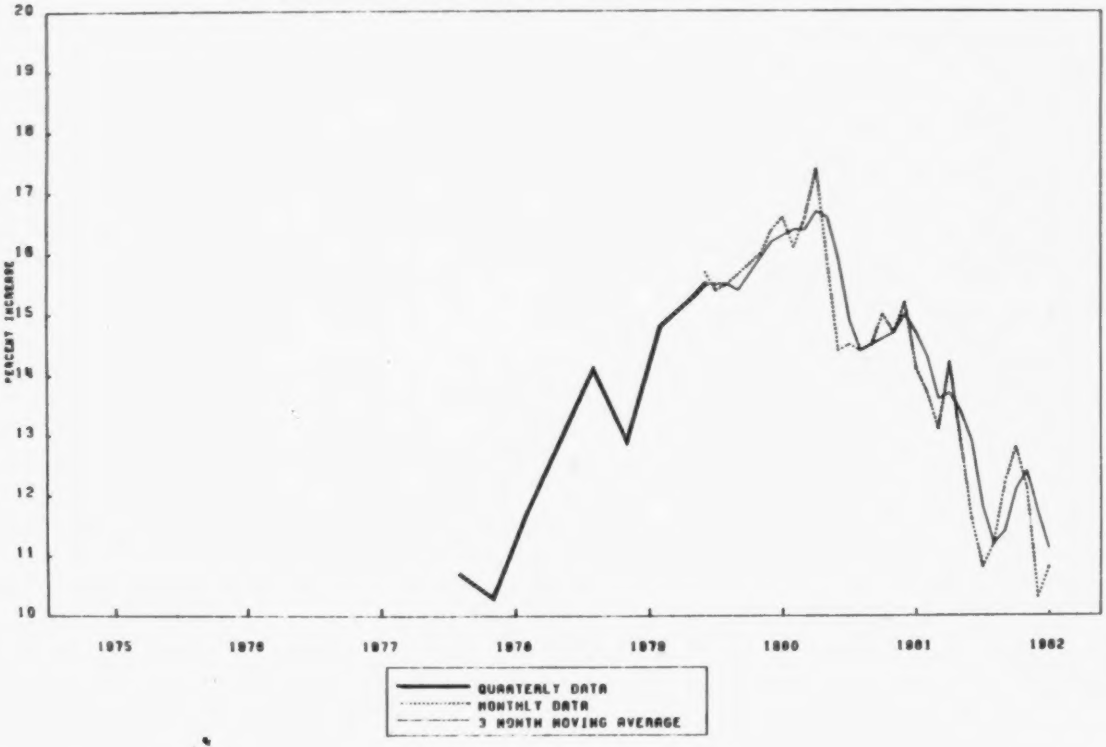
## EXPECTED CHANGE IN INTEREST RATES

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 29% | 31% | 29% | 31% | 41% | 38% | 38% | 37% | 33% | 31% | 29% | 21% | 25% |
| STAY THE SAME | 20 | 24 | 26 | 27 | 30 | 27 | 28 | 34 | 33 | 30 | 25 | 25 | 28 |
| GO DOWN | 44 | 37 | 41 | 38 | 26 | 30 | 29 | 26 | 30 | 35 | 42 | 50 | 43 |
| DK,NA | 7 | 8 | 4 | 4 | 3 | 5 | 5 | 3 | 4 | 4 | 4 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS



## TABLE 22

## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 3% | 2% | 4% | 4% | 5% | 9% | 10% | 11% | 10% | 8% | 7% | 10% | 11% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 2 | 3 | 2 | 4 | 2 | 4 | 3 | 4 | 3 | 4 | 2 | 3 | 4 |
| 3-4% | 4 | 4 | 4 | 5 | 7 | 6 | 6 | 7 | 4 | 5 | 6 | 6 | 5 |
| 5% | 7 | 8 | 7 | 6 | 8 | 8 | 8 | 8 | 9 | 8 | 10 | 11 | 11 |
| 6-9% | 8 | 8 | 10 | 12 | 10 | 10 | 10 | 10 | 14 | 11 | 12 | 14 | 16 |
| 10-14% | 31 | 32 | 29 | 26 | 31 | 25 | 23 | 24 | 24 | 23 | 24 | 25 | 23 |
| 15% or more | 28 | 25 | 25 | 30 | 27 | 22 | 20 | 21 | 23 | 24 | 22 | 16 | 20 |
| DK how much up | 17 | 17 | 18 | 13 | 10 | 16 | 20 | 15 | 12 | 17 | 16 | 15 | 10 |
| DK,NA | * | 1 | 1 | * | * | * | * | * | 1 | * | 1 | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE (%) | 14.1 | 13.7 | 13.1 | 14.2 | 12.9 | 11.6 | 10.8 | 11.2 | 12.2 | 12.8 | 12.1 | 10.3 | 10.8 |
| VARIANCE | 130 | 128 | 111 | 156 | 123 | 112 | 104 | 107 | 142 | 147 | 131 | 100 | 112 |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

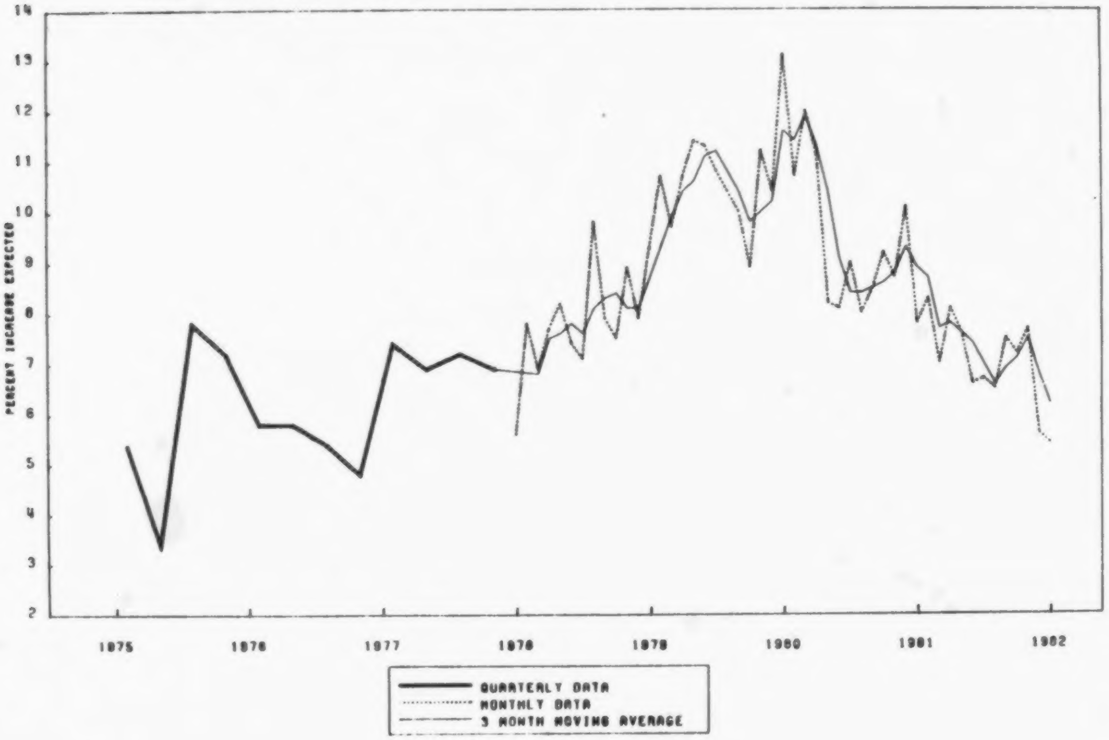
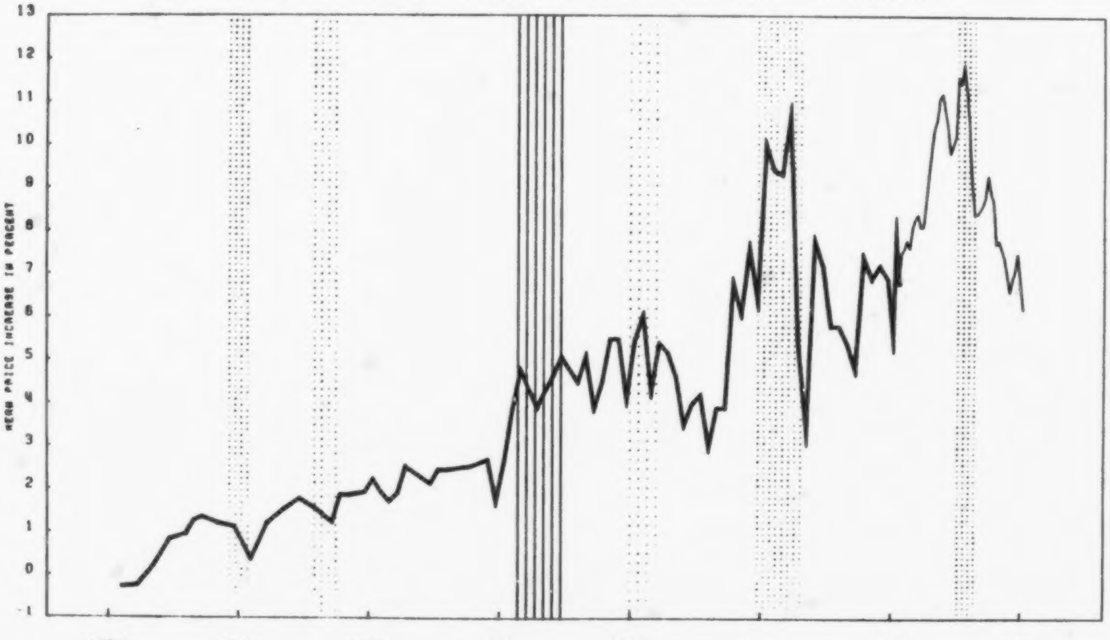


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 21% | 18% | 26% | 27% | 25% | 31% | 31% | 28% | 30% | 27% | 26% | 35% | 36% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 3 | 5 | 2 | 4 | 2 | 4 | 2 | 6 | 4 | 5 | 4 | 3 | 5 |
| 3-4% | 6 | 9 | 8 | 7 | 8 | 6 | 6 | 6 | 8 | 6 | 5 | 7 | 8 |
| 5% | 7 | 9 | 11 | 9 | 10 | 8 | 10 | 12 | 9 | 12 | 11 | 12 | 12 |
| 6-9% | 12 | 12 | 11 | 9 | 13 | 12 | 15 | 11 | 11 | 13 | 11 | 13 | 11 |
| 10-14% | 28 | 23 | 20 | 20 | 22 | 21 | 16 | 16 | 17 | 16 | 21 | 13 | 13 |
| 15% or more | 9 | 12 | 9 | 14 | 11 | 10 | 10 | 10 | 13 | 11 | 10 | 8 | 8 |
| DK how much up | 11 | 10 | 11 | 8 | 7 | 7 | 10 | 8 | 7 | 8 | 10 | 7 | 5 |
| DK,NA | 3 | 2 | 2 | 2 | 2 | 1 | * | 3 | 1 | 2 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE (%) | 7.8 | 8.3 | 7.0 | 8.1 | 7.6 | 6.6 | 6.7 | 6.5 | 7.5 | 7.2 | 7.7 | 5.6 | 5.4 |
| VARIANCE | 54 | 74 | 57 | 97 | 79 | 57 | 71 | 60 | 91 | 68 | 84 | 57 | 51 |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

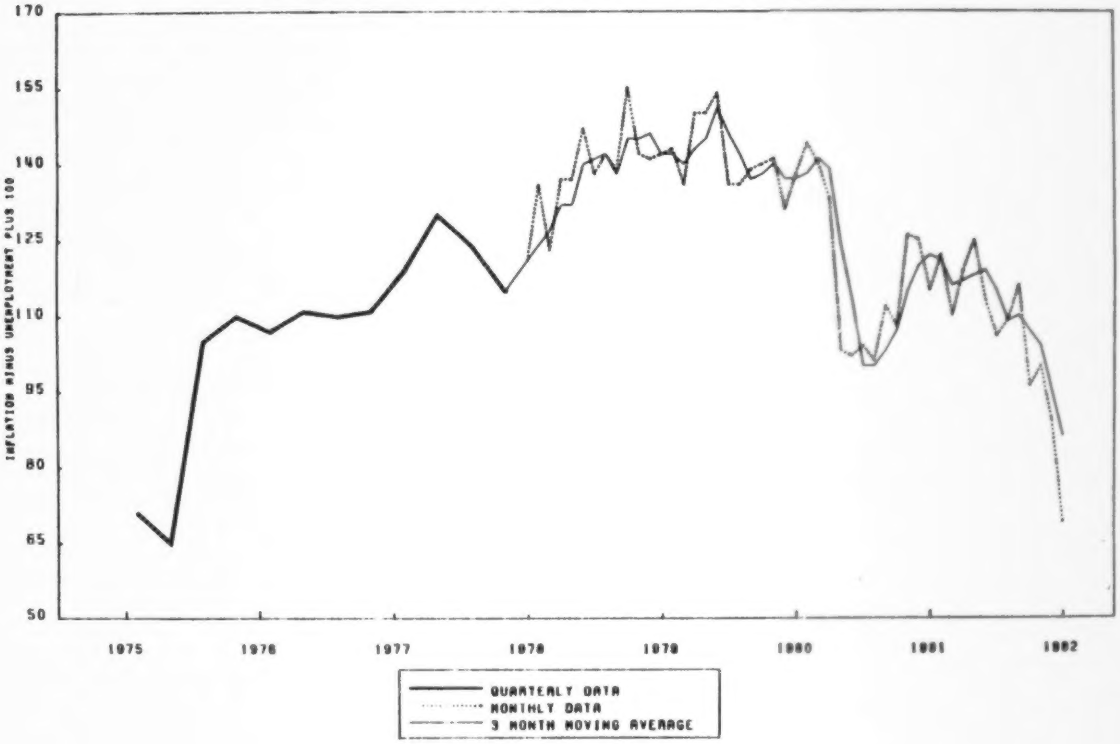
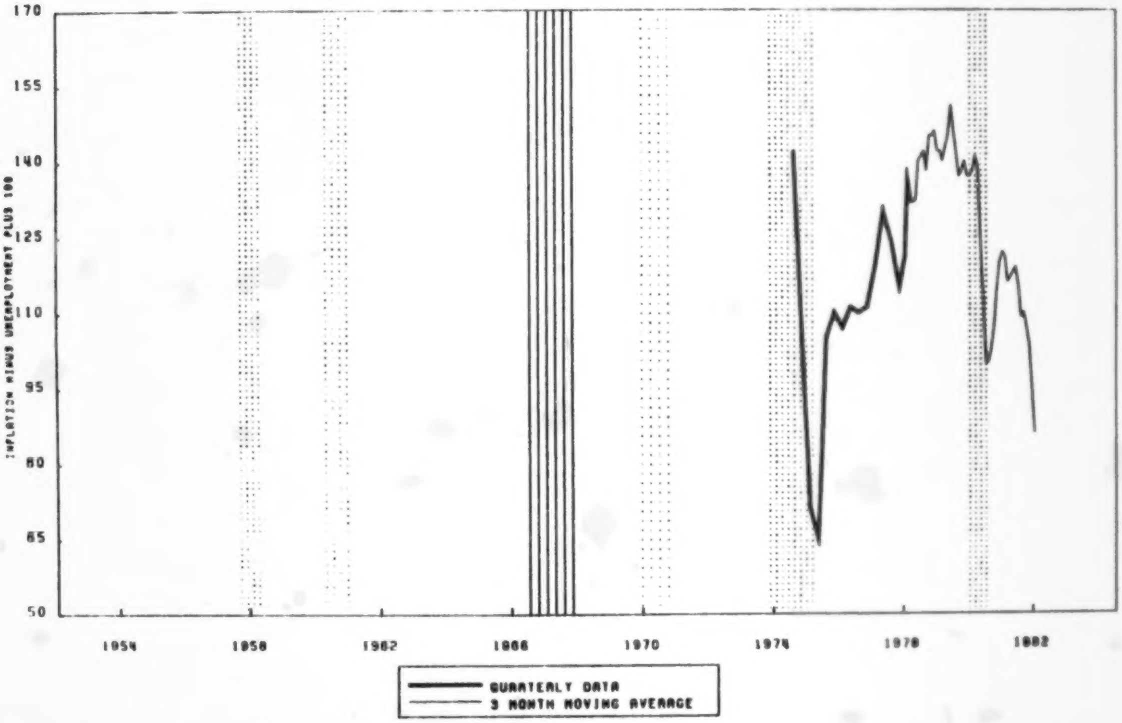


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS



## TABLE 24

## UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 34% | 34% | 39% | 35% | 33% | 36% | 42% | 39% | 37% | 45% | 43% | 49% | 60% |
| BOTH EQUALLY SERIOUS | 14 | 8 | 11 | 8 | 8 | 14 | 9 | 11 | 9 | 12 | 13 | 11 | 10 |
| INFLATION | 49 | 56 | 49 | 54 | 58 | 49 | 48 | 48 | 53 | 41 | 43 | 38 | 29 |
| DK,NA | 3 | 2 | 1 | 3 | 1 | 1 | 1 | 2 | 1 | 2 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

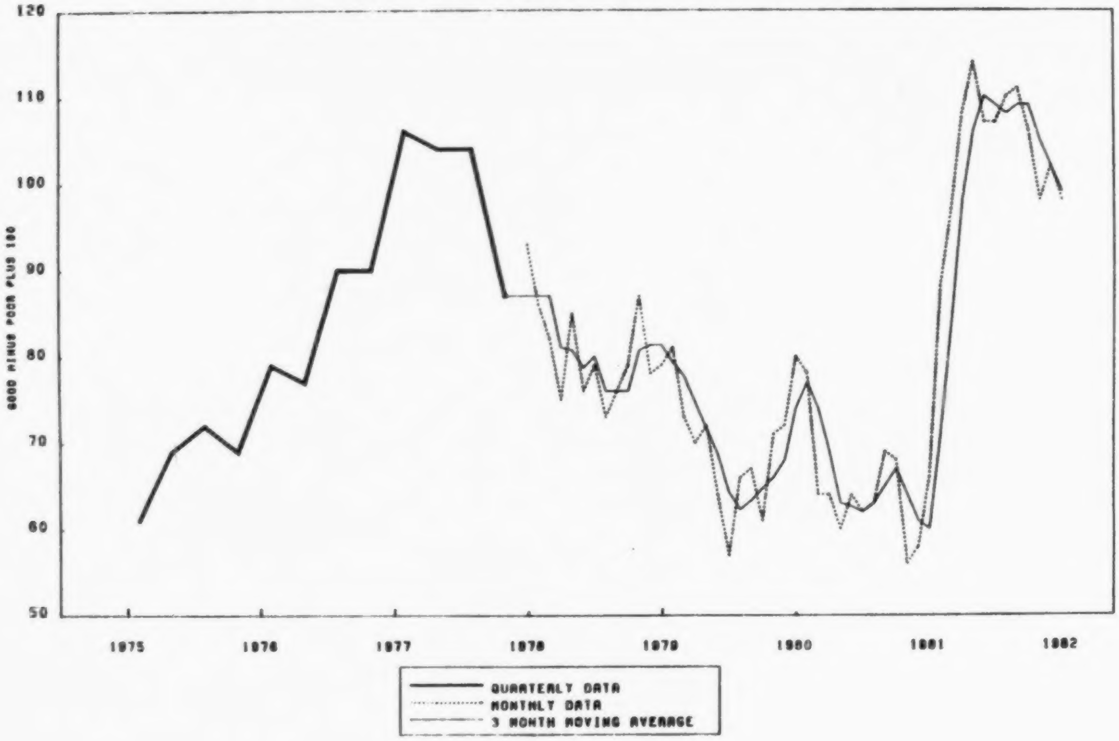
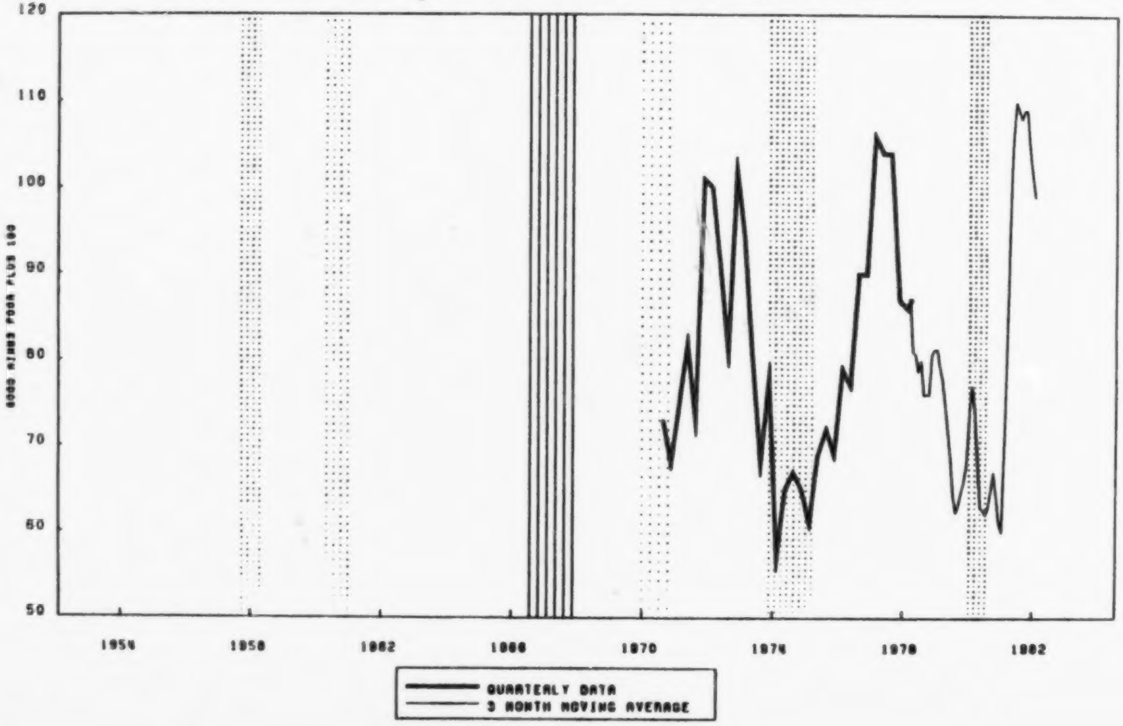


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



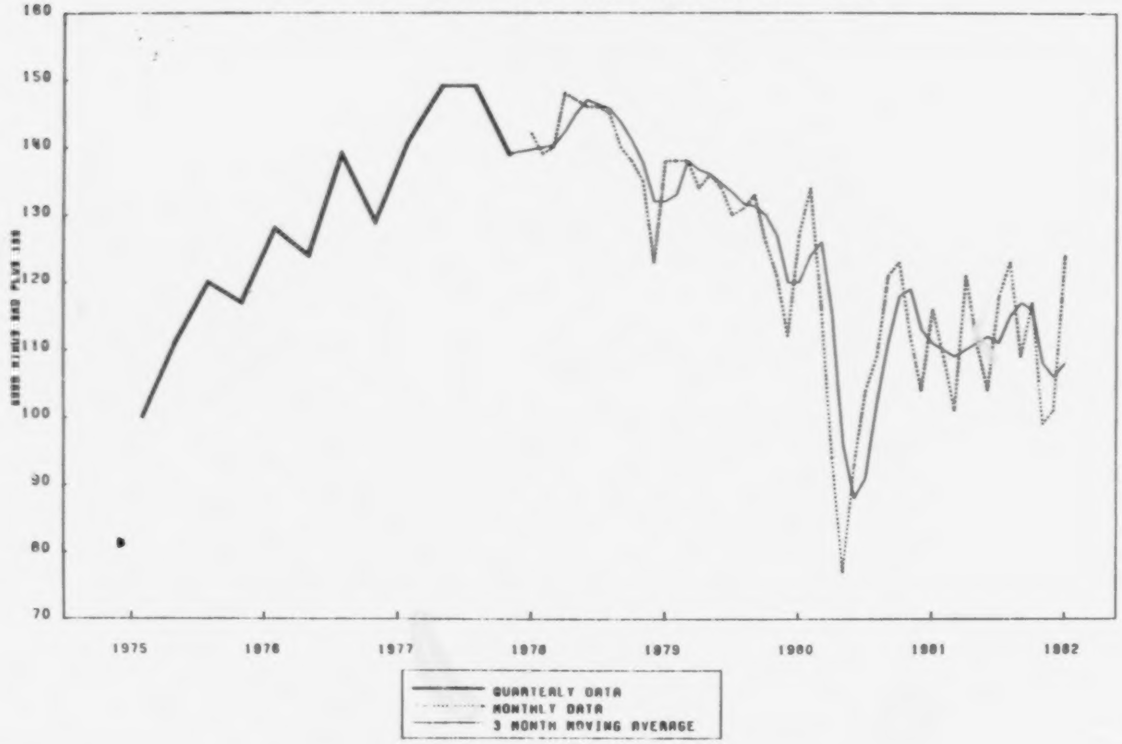
## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

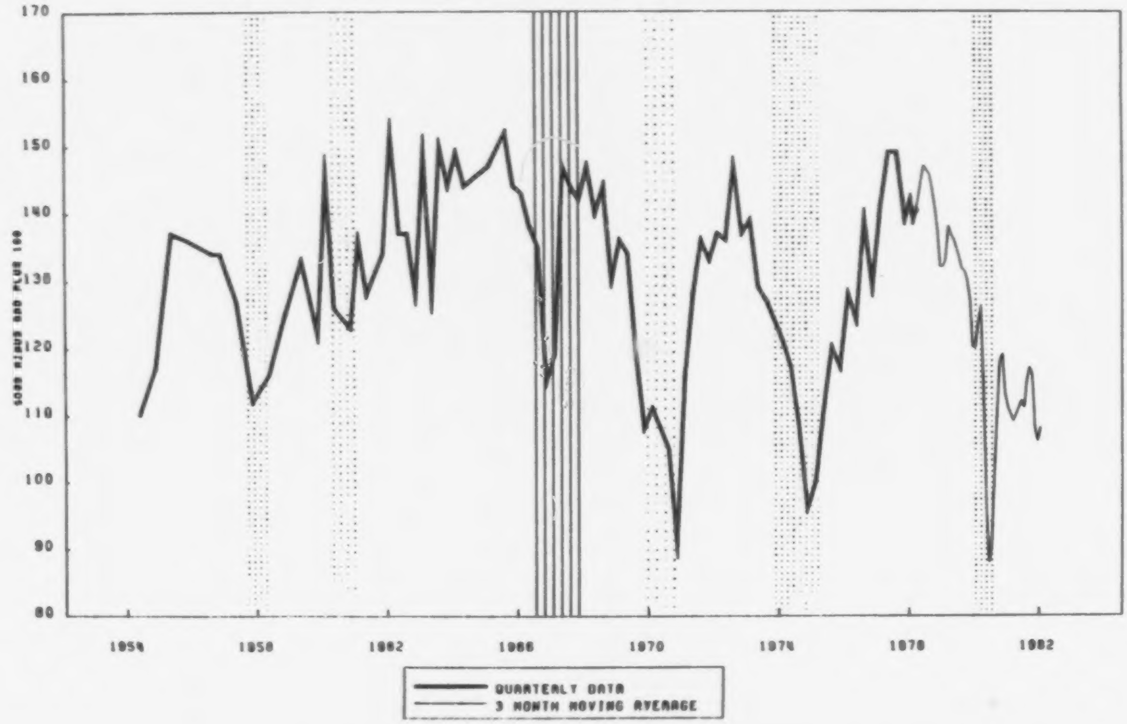
| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 10% | 19% | 22% | 28% | 30% | 25% | 28% | 31% | 31% | 31% | 23% | 26% | 25% |
| ONLY FAIR | 42 | 40 | 45 | 47 | 49 | 54 | 47 | 44 | 45 | 41 | 49 | 47 | 46 |
| A POOR JOB | 44 | 31 | 25 | 20 | 16 | 18 | 21 | 21 | 20 | 25 | 25 | 24 | 27 |
| DK,NA | 4 | 10 | 8 | 5 | 5 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

## CHART 26 - RECENT CHANGES
## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## CHART 26 - HISTORICAL SERIES
## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## TABLE 26

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

|  | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 50% | 47% | 43% | 54% | 50% | 44% | 53% | 55% | 44% | 52% | 43% | 44% | 57% |
| UNCERTAIN, DEPENDS | 16 | 15 | 15 | 13 | 11 | 16 | 12 | 13 | 21 | 13 | 13 | 13 | 10 |
| BAD TIME TO BUY | 34 | 38 | 42 | 33 | 39 | 40 | 35 | [illegible] | 35 | 35 | 44 | 43 | 33 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

[a] The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

## TABLE 27

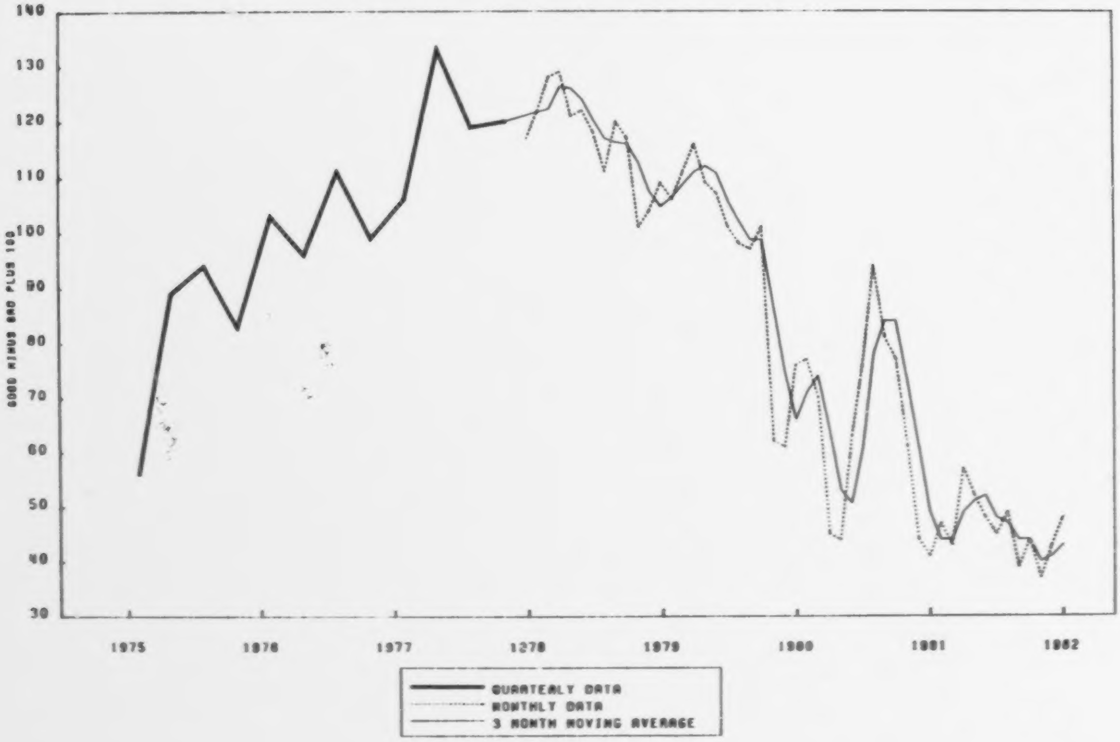
## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 23% | 23% | 22% | 21% | 16% | 20% | 24% | 24% | 20% | 21% | 19% | 26% | 32% |
| Prices won't come down; are going higher | 28 | 24 | 23 | 31 | 30 | 23 | 27 | 26 | 21 | 25 | 20 | 21 | 22 |
| Interest rates low; credit is easy | 2 | 3 | 1 | 2 | 3 | 1 | 2 | 3 | 1 | 1 | 2 | 2 | 3 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 17 | 24 | 23 | 19 | 25 | 22 | 23 | 17 | 21 | 19 | 25 | 26 | 17 |
| Interest rates are high; credit is tight | 25 | 26 | 22 | 17 | 18 | 23 | 17 | 21 | 21 | 17 | 23 | 21 | 18 |
| Lack of purchasing power | 11 | 13 | 16 | 12 | 9 | 13 | 8 | 7 | 9 | 11 | 12 | 15 | 13 |

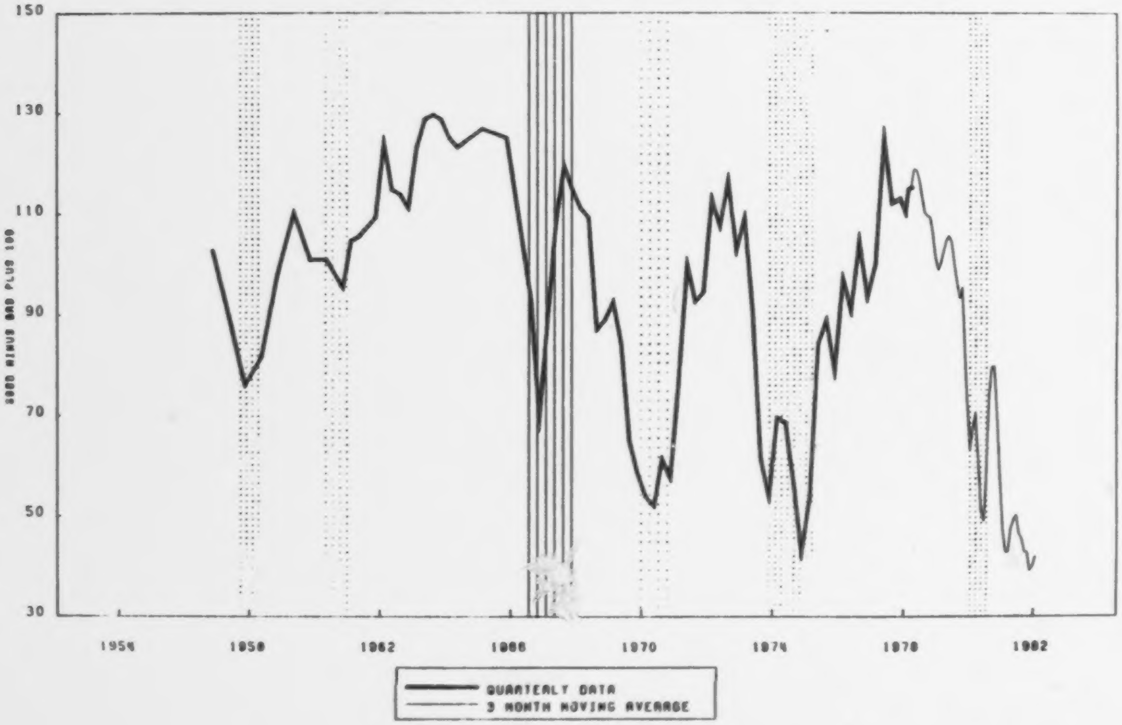
Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

## CHART 28 - RECENT CHANGES
## BUYING CONDITIONS FOR HOUSES



## CHART 28 - HISTORICAL SERIES
## BUYING CONDITIONS FOR HOUSES



## TABLE 28

## BUYING CONDITIONS FOR HOUSES

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 18% | 21% | 20% | 26% | 24% | 20% | 20% | 21% | 15% | 18% | 16% | 19% | 21% |
| UNCERTAIN, DEPENDS | 5 | 5 | 3 | 5 | 4 | 8 | 5 | 7 | 9 | 8 | 5 | 5 | 6 |
| BAD TIME TO BUY | 77 | 74 | 77 | 69 | 72 | 72 | 75 | 72 | 76 | 74 | 79 | 76 | 73 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

## TABLE 29

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 3% | 5% | 4% | 5% | 5% | 5% | 5% | 6% | 5% | 7% | 7% | 12% | 13% |
| Prices won't come down; are going higher | 12 | 10 | 9 | 12 | 10 | 10 | 10 | 10 | 7 | 9 | 7 | 7 | 5 |
| Interest rates low; credit is easy | 4 | 7 | 5 | 9 | 7 | 5 | 6 | 8 | 6 | 4 | 4 | 6 | 8 |
| Good investment | 7 | 10 | 7 | 8 | 6 | 6 | 7 | 5 | 4 | 3 | 5 | 3 | 5 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 32 | 31 | 32 | 30 | 28 | 30 | 30 | 23 | 30 | 27 | 24 | 27 | 28 |
| Interest rates are high; credit is tight | 76 | 73 | 76 | 66 | 71 | 71 | 71 | 76 | 80 | 78 | 83 | 81 | 72 |
| Lack of purchasing power | 10 | 14 | 13 | 12 | 11 | 13 | 12 | 11 | 15 | 11 | 17 | 21 | 22 |

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

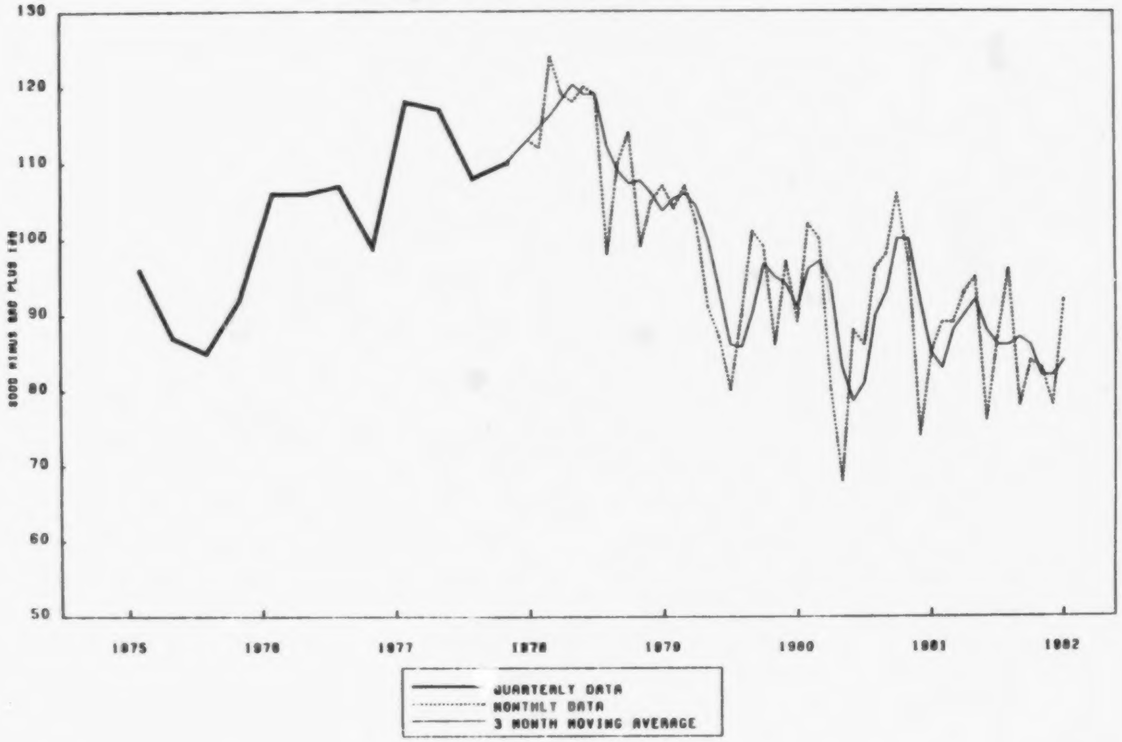


CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

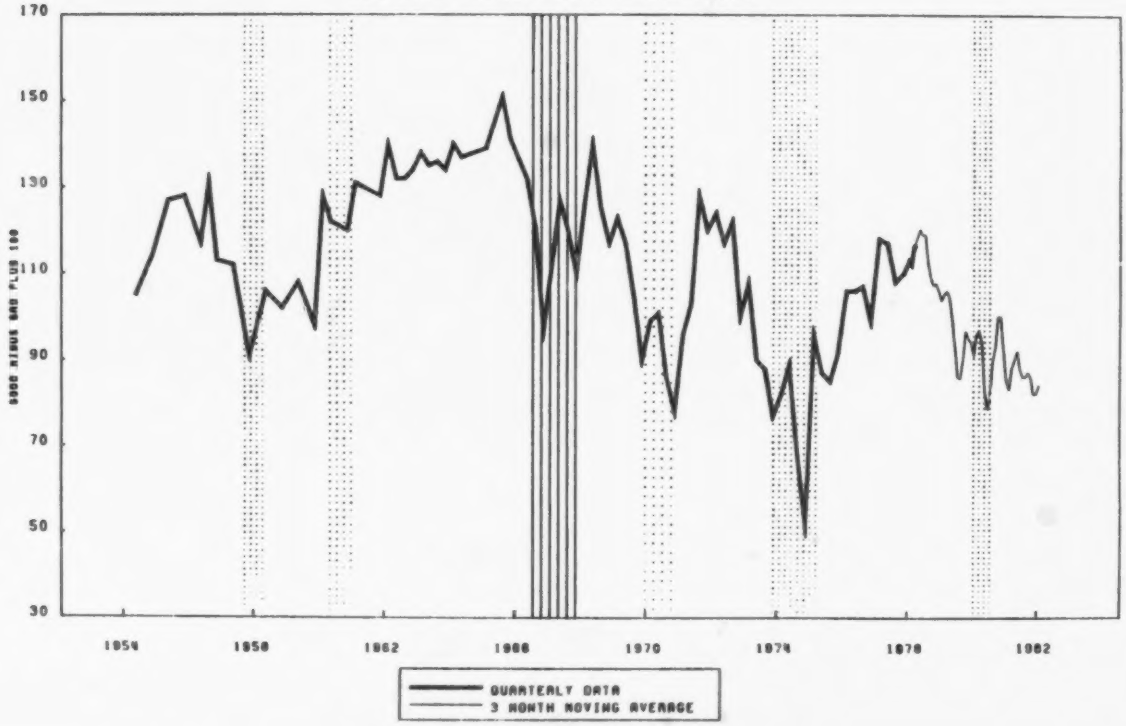


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

## TABLE 30

## BUYING CONDITIONS FOR CARS

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 36% | 39% | 39% | 42% | 44% | 33% | 40% | 43% | 34% | 37% | 37% | 34% | 41% |
| UNCERTAIN; DEPENDS | 13 | 11 | 11 | 9 | 7 | 10 | 7 | 10 | 10 | 10 | 9 | 10 | 10 |
| BAD TIME TO BUY | 51 | 50 | 50 | 49 | 49 | 57 | 53 | 47 | 56 | 53 | 54 | 56 | 49 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

## TABLE 31

### SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 18% | 22% | 30% | 25% | 23% | 14% | 17% | 19% | 14% | 20% | 21% | 22% | 29% |
| Prices won't come down; are going higher | 13 | 12 | 10 | 19 | 15 | 12 | 18 | 18 | 15 | 14 | 12 | 12 | 11 |
| Interest rates low; credit is easy | 5 | 3 | 2 | 3 | 4 | 2 | 3 | 5 | 6 | 4 | 5 | 5 | 6 |
| New fuel efficient models | 4 | 4 | 6 | 4 | 5 | 5 | 5 | 4 | 4 | 2 | 1 | 1 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 33 | 31 | 34 | 31 | 33 | 34 | 33 | 26 | 30 | 36 | 32 | 37 | 31 |
| Interest rates are high; credit is tight | 28 | 27 | 21 | 22 | 17 | 28 | 25 | 26 | 31 | 29 | 26 | 27 | 26 |
| Lack of purchasing power | 7 | 7 | 10 | 8 | 6 | 6 | 6 | 5 | 8 | 7 | 8 | 13 | 13 |
| Price of gas; shortages | 4 | 8 | 6 | 5 | 3 | 2 | 3 | 4 | 3 | 1 | 2 | 2 | 2 |
| Poor selection; quality | 9 | 9 | 9 | 8 | 10 | 9 | 11 | 8 | 9 | 8 | 10 | 9 | 8 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 15% | 16% | 14% | 15% | 17% | 17% | 14% | 19% | 17% | 14% | 19% | 19% | 16% |
| CHANCES ARE EVEN | 8 | 7 | 6 | 8 | 9 | 8 | 7 | 7 | 3 | 7 | 6 | 7 | 8 |
| PROBABLY WILL NOT BUY | 66 | 62 | 67 | 65 | 63 | 66 | 64 | 59 | 67 | 70 | 66 | 64 | 67 |
| DK,NA | 11 | 15 | 13 | 12 | 11 | 9 | 15 | 15 | 13 | 9 | 9 | 10 | 9 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 698 | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

|  | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 23% | 23% | 20% | 23% | 26% | 25% | 21% | 26% | 20% | 21% | 25% | 26% | 24% |
| PURCHASE TYPE: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Buy new | 11 | 10 | 9 | 11 | 11 | 10 | 9 | 12 | 9 | 10 | 11 | 11 | 9 |
| Buy used | 8 | 10 | 9 | 10 | 12 | 11 | 9 | 11 | 9 | 9 | 12 | 13 | 13 |
| Lease | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 1 | 1 | * | 1 | 1 |
| DK,NA | 3 | 2 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 |
| PURCHASE TIMING: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Next 3 months | 3 | 1 | 1 | 5 | 5 | 2 | 5 | 3 | 2 | 4 | 2 | 1 | 5 |
| Next 4-6 months | 5 | 6 | 4 | 8 | 5 | 7 | 6 | 7 | 4 | 6 | 6 | 5 | 7 |
| Next 7-9 months | 6 | 7 | 5 | 5 | 7 | 7 | 2 | 3 | 5 | 3 | 8 | 10 | 6 |
| 10 months or more | 4 | 3 | 5 | 2 | 3 | 5 | 3 | 7 | 5 | 4 | 4 | 6 | 3 |
| DK,NA | 5 | 6 | 5 | 3 | 6 | 4 | 5 | 6 | 4 | 4 | 5 | 4 | 3 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

# TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | Jan. 1981 | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 66% | 62% | 67% | 65% | 63% | 66% | 64% | 59% | 67% | 70% | 66% | 64% | 67% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 35 | 33 | 34 | 39 | 37 | 37 | 35 | 34 | 33 | 38 | 34 | 33 | 36 |
| Would buy used | 29 | 28 | 28 | 24 | 25 | 27 | 27 | 23 | 31 | 29 | 29 | 29 | 30 |
| DK,NA | 2 | 1 | 5 | 2 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 2 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 6 | 5 | 6 | 9 | 6 | 5 | 4 | 7 | 5 | 5 | 7 | 6 | 7 |
| 2 years | 17 | 23 | 23 | 19 | 22 | 20 | 19 | 18 | 23 | 20 | 18 | 22 | 23 |
| 3 years | 12 | 9 | 9 | 9 | 10 | 11 | 11 | 10 | 10 | 11 | 8 | 9 | 12 |
| 4 years or more | 19 | 16 | 19 | 22 | 15 | 20 | 18 | 18 | 21 | 24 | 19 | 19 | 19 |
| Indefinite | 5 | 3 | 3 | 3 | 4 | 5 | 5 | 1 | 2 | 4 | 4 | 3 | 3 |
| DK,NA | 7 | 6 | 7 | 3 | 6 | 5 | 7 | 5 | 6 | 6 | 10 | 5 | 3 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

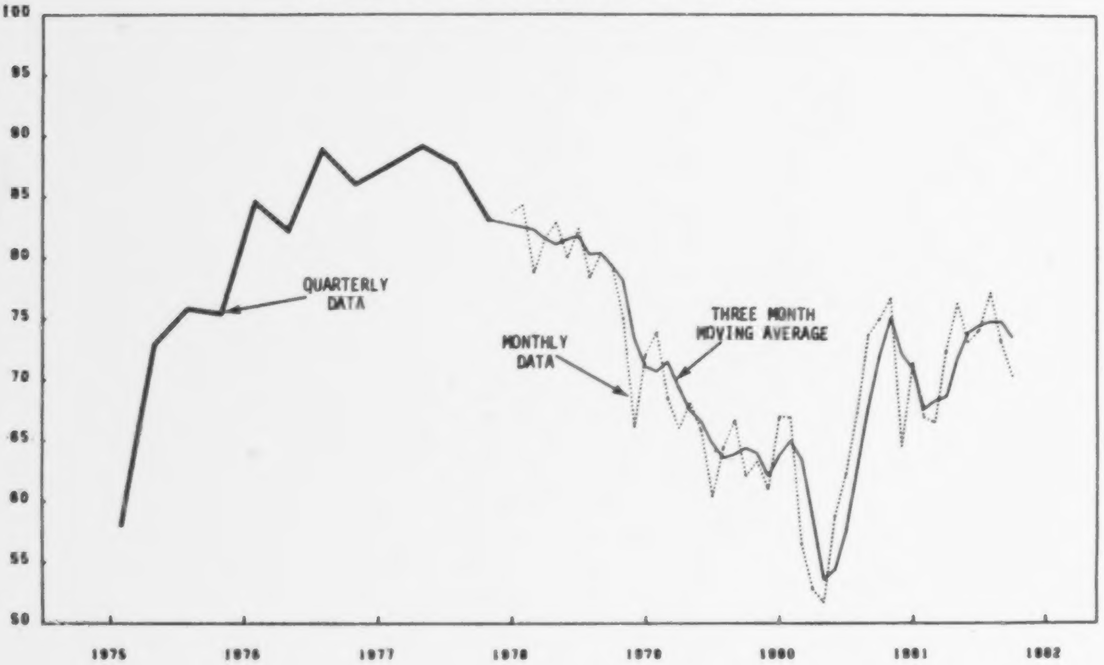
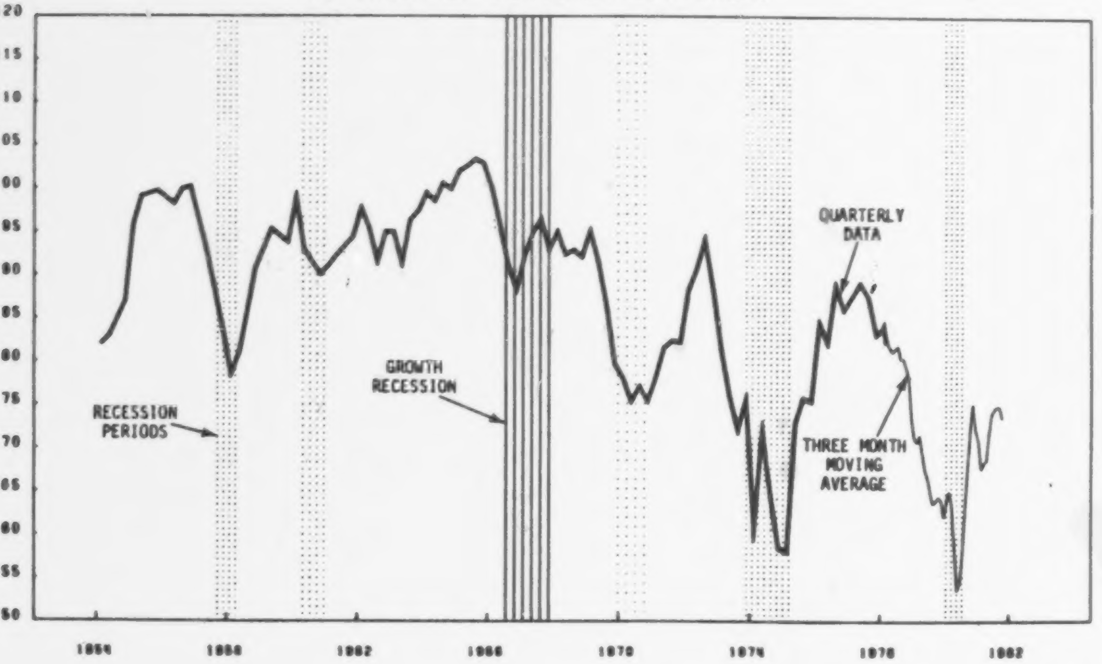


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three month intervals (quarters) before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

## TIME SCALE LABELS

Each tic mark on the time scales represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES

RECESSION PERIOD: Reduction in the national output of goods and services (generally lasting at least two quarters).

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980

GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

DATE: June 1966 - November 1967

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews 700[b] | 1,400[c] | 2,100[d] |
|---|---|---|---|
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

# SUMMARY

u 7475-2 (A)

February 5, 1982

JANUARY 1982 MONTHLY REPORT

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## PRICE DISCOUNTS BRING RESPITE FROM BLEAK ECONOMY

** In the January 1982 survey, the Index of Consumer Sentiment was 71.0, up 6.7 Index points from December and nearly identical with the 71.4 recorded in January 1981. In the past four years, the Index change from December to January has been 6-7 Index points. In terms of the component questions, the improvement at the turn of each year has been concentrated in improved attitudes toward buying conditions for large household durables due to more favorable price references.

** Unemployment remained the dominant concern of consumers in the January 1982 survey. Eight in ten said business conditions had worsened during the past year, and one in three reported have heard of spreading unemployment during the past several months. For the first time since the 1974-75 recession lowpoint, unemployment rather than inflation was viewed by a two to one margin as the more serious economic hardship facing the nation.

** Although concerns about the current level of unemployment were greatly heightened in the January 1982 survey, increases in unemployment during the year ahead were less frequently expected than one month earlier (49 percent versus 59 percent). This represents only a small overall improvement, since just 16 percent expected declines in unemployment from the current high levels.

** Consumers were more reluctant to withdraw from savings or incur new debt to make a major purchase in January 1982 than at any time during the past six years.

** Attitudes toward buying conditions for houses, vehicles, and household durables recorded a modest improvement in the January survey from one month earlier, but nonetheless remained near record low levels. The primary factor responsible for the improvement was the appeal of lower prices, discounts, and rebates. Concern with high interest rates continued, with one in three families reporting that they had postponed a purchase due to high interest rates.

* * *

The recent small improvement in consumer sentiment is insufficient to signal a renewed path toward recovery. If, in the view of the consumer, the current state of the economy is bleak, the outlook for the future is still gloomy. Business conditions are expected to improve, but good financial times are not expected during the next year. Inflation is expected to continue to decline, but the problem of unemployment has now taken on greater importance. Lower inflation rates have improved the financial situation of consumers, but high interest rates as well as a greater reluctance to use debt or draw on savings has led to widespread postponement of purchases. Lower interest rates, as well as renewed growth in income and employment, are needed before sustained increases in major consumer purchases can be expected.

Monitoring Economic Change Program
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## The Economy in Recession

At the start of 1982, 79 percent of all consumers thought the economy was in recession, a sharp reversal from the 47 percent recorded six months ago, and above the year earlier reading of 71 percent. The sharp decline since mid-1981 can be traced to heightened concern with unemployment, which was cited by 35 percent of all families in January 1982, more than twice the proportion recorded in July (16 percent), and above the year earlier reading (19 percent). Just one-in-six families in the January survey expected unemployment to decline, while five-in-six expected unemployment to remain at the same high level or increase further during 1982. The January 1982 survey did show some improvement from December 1981, as consumers less frequently expected increases in unemployment in the year ahead (59 versus 49 percent).

With respect to the state of the current economy, consumers more frequently expected the economy to improve rather than to further worsen in the year ahead. The favorable balance of opinion increased from December (31 versus 29 percent) to January (38 versus 24 percent), but remains somewhat below the year earlier reading (39 versus 16 percent). Although the economy is expected to improve, the improvement is expected to be modest, as consumers do not anticipate the return of "good times" financially. Among all families, more than twice as many expected bad rather than good times financially in the economy as a whole during the next 12 months. The proportion that expected bad times financially declined to 64 percent in January, from 69 percent in December, but remained above the 53 percent recorded one year earlier.

Expected developments in business conditions over the longer term improved somewhat in the January 1982 survey from one month earlier, but were less favorable than one year earlier. Among all families, 58 percent expected bad times in the economy as a whole during the next 5 years, while 28 percent expected good times financially. In comparison with a year earlier, the proportion that expected good times over the longer term was largely unchanged (falling from 30 to 28 percent), while the proportion that expected bad times increased (49 to 58 percent).

In the January 1982 survey, consumers expected the rate of inflation during the year ahead would average 5.4%, below the figure recorded in December (5.6%), and one year earlier (7.8%). This figure represents the lowest expected rate of inflation recorded in more than five years, and is less than half the peak rate of 13.1% recorded two years earlier in the January 1980 survey.

During the past year, as inflation declined and unemployment increased, the proportion that thought unemployment represented the more serious economic hardship facing the nation rose to 60 percent in January 1982 from 34 percent one year earlier. For the past four months, more respondents have singled out unemployment rather than inflation when asked which represented the more serious economic hardship facing the nation. In the October 1981 survey the difference in opinion was relatively small (45 versus 41 percent), but widened to a more than two-to-one margin by January 1982 (60 versus 29 percent).

Confidence in government economic policies designed to combat inflation and unemployment declined somewhat in the January 1982 survey (completed prior to the State of the Union message by President Reagan). Among all families, 25 percent favorably rated economic policies, compared with 27 percent that held unfavorable views. This represents a significant slide from the spring of 1981 when nearly twice as many respondents rated policy as favorable rather than unfavorable. Nonetheless, on balance, confidence in government policy remains at relatively high levels.

## Financial Optimism Despite Current Problems

The financial situation of American families deteriorated during the last half of 1981, but were more favorable in January 1982 than a year earlier. The recent reversals in personal finances have been due to income declines and rising unemployment. In mid-1981 the proportion that cited income declines when asked to explain their personal financial situation was 11 percent, with 21 percent saying so in the January 1982 survey. This is the highest proportion to spontaneously cite income declines since the 1975 recession. In comparison with year earlier readings, the overall improvement in personal finances has been due to lower rates of inflation. In January 1982, 29 percent of all families mentioned inflation had made them worse off, down from 46 percent in January 1981.

In contrast to the adverse developments in personal finances during the past six months, more families expected improvement rather than deterioration in the year ahead. Among all families, 33 percent expected an improved financial situation, compared with 18 percent that expected to be worse off financially. The strength in personal financial expectations continues to be based both on lower price expectations and the maintenance of nominal income expectations at relatively high levels. In January 1982, 29 percent of all families expected income increases of 10% or more, up from 27 percent in January 1981. The expected trends in income and prices have led to more favorable real income expectations, the most favorable recorded since 1977. Among all families, 62 percent expected their incomes to increase at least as fast as prices, up from 53 percent in January 1981, and 44 percent in January 1980.

## Postponement of Purchases Due to Interest Rates

Postponement of purchases due to high interest rates was reported by 33 percent of all households in the January 1982 survey, down from the November 1981 level of 37 percent. As in late 1981, the most frequently postponed purchases were vehicles (12 percent), followed by housing and home repair (10 percent), household durables (10 percent), and clothing and other items (6 percent). Compared with November 1981, fewer families reported postponing autos (12 percent compared with 15 percent in November) and housing (10 versus 15 percent), and more families reported postponing durable goods (10 versus 8 percent), see Table B.

Families that had postponed purchases were asked what interest rate would have been charged if they had made the purchase. The overall median response in January 1982 was 17.5%, and the highest interest rate that these families were willing to pay was 12.0%, unchanged from the late 1981 readings. The gap between the interest rate which would have been charged and the interest rate people were willing to pay was 4.9% across all items in January, also unchanged from 1981 levels, see Table C.

Although more families expected interest rates to go down rather than up during the year ahead (43 percent versus 25 percent), this favorable expectation weakened from one month earlier (50 versus 21 percent). The combination of high current interest rates and the expectations of declines in the year ahead has increased the incentive to postpone credit purchases. In addition, declines in the expected rate of inflation have increased the real cost of credit during the past year.

The use of savings or debt to make new major purchases was viewed with disfavor in January 1982. Among all families, the proportion that said they were reluctant to use their savings to finance large purchases increased to 73 percent, from 68 percent in January 1981, and 54 percent in February 1980. Just one-in-four consumers in January 1982 reported that they were not reluctant to use savings to make large purchases. When asked about their readiness to use credit to finance new purchases, just 12 percent of all families in January 1982 reported that they were not reluctant to use credit, while 87 percent reported that they were reluctant to incur new debt. Overall, consumers expressed greater reluctance to draw down savings or incur new debt to finance purchases in the January 1982 survey than at any other time during the past six years (see Table A).

## Price Discounts Improve Buying Conditions

Favorable attitudes toward buying conditions for household durables increased to 57 percent in the January 1982 survey, up from 44 percent in December 1981, and 50 percent in January 1981. The increase in favorable buying attitudes for durables was due to price declines and discounts (mentioned by 32 percent, up from 26 percent in December), and fewer mentions of high prices (17 percent, down from 26 percent in December). Although fewer families mentioned high interest rates in January than December (18 percent, down from 21 percent), complaints of high interest rates were as frequent as high prices (18 versus 17 percent). Despite the recent improvement, buying attitudes toward household durables remain at low levels.

Attitudes toward buying conditions for houses remain near record low levels, although small improvements have been recorded during the past two months. The November 1981 survey recorded the record high level of unfavorable attitudes -- 79 percent. By January 1982, this proportion had only fallen to 73 percent. High interest rates remained the dominant reason given for unfavorable market conditions, cited by 72 percent of all families in January 1981, down from the record 83 percent recorded in November 1981. Compared with a year earlier, more families mentioned price declines in January 1982 (13 percent, up from 3 percent).

Car buying attitudes improved in the January 1982 survey, mainly due to price discounts and rebates. Among all families, 41 percent rated buying conditions for vehicles as favorable in January 1982, up from 34 percent in

December, and 36 percent in January 1981. Despite this increase, consumers still more frequently rated conditions as unfavorable in both January 1982 (49 percent) and January 1981 (51 percent). When asked to explain their views on car buying conditions, families more frequently referred to price discounts and rebates in the January 1982 survey (29 percent), than one month earlier (22 percent), or one year earlier (18 percent). In addition, fewer complaints of high prices were recorded in January 1982 (31 percent), than in December (37 percent), or in January 1981 (33 percent). No such easing in the impact of interest rates on car buying attitudes has occurred over the past year. In January 1982, 26 percent mentioned high interest rates, just below the 27 percent recorded in December, and 28 percent recorded in January 1981.

* * *

The January 1982 survey was conducted between December 28, 1981 and January 26, 1982, with 704 interviews obtained.

## TABLE A

## OPINIONS ABOUT THE USE OF SAVINGS OR DEBT FOR MAJOR PURCHASES

| | Use of Savings | | | | | | |
|---|---|---|---|---|---|---|---|
| | Feb. 1976 | Feb. 1977 | Feb. 1978 | Feb. 1979 | Feb. 1980 | Jan. 1981 | Jan. 1982 |
| Okay to use savings; not especially reluctant | 33% | 37% | 32% | 32% | 38% | 28% | 25% |
| Pro-con | 6 | 3 | 3 | 3 | 1 | 3 | 1 |
| Not okay to use savings; especially reluctant | 59 | 56 | 62 | 63 | 54 | 68 | 73 |
| DK, NA | 2 | 4 | 3 | 2 | 7 | 1 | 1 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

| | Use of Credit | | | | | | |
|---|---|---|---|---|---|---|---|
| | Feb. 1976 | Feb. 1977 | Feb. 1978 | Feb. 1979 | Feb. 1980 | Jan. 1981 | Jan. 1982 |
| Okay to use credit; not especially reluctant | 20% | 22% | 20% | 16% | 19% | 13% | 12% |
| Pro-con | 5 | 2 | 2 | 1 | 1 | * | * |
| Not okay to use credit; especially reluctant | 74 | 71 | 77 | 82 | 80 | 86 | 87 |
| DK, NA | 1 | 5 | 1 | 1 | * | 1 | 1 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Cases | 1184 | 1203 | 1135 | 1228 | 901 | 698 | 704 |

---

The questions asked were: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?

"If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?

## TABLE B

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | June 1980 | October 1981 | November 1981 | January 1981 |
|---|---|---|---|---|
| Postponed Purchases:* | 15% | 30% | 37% | 33% |
| Vehicles | 5 | 11 | 15 | 12 |
| House, home repairs | 2 | 11 | 15 | 10 |
| Household durables | 7 | 8 | 8 | 10 |
| Clothing | 1 | 1 | 1 | * |
| Other | * | 3 | 4 | 6 |
| Did not Postpone Purchase | 84 | 67 | 62 | 66 |
| Don't know, not ascertained | 1 | 3 | 1 | 1 |
| Total | 100% | 100% | 100% | 100% |
| Cases | 688 | 712 | 690 | 704 |

---

*Items add to more than total, due to multiple mentions.

The questions were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October and November 1981, and January 1982: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

## TABLE C

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | All Items | | | January 1982 | | |
|---|---|---|---|---|---|---|
| | Oct. 1981 | Nov. 1981 | Jan. 1982 | Vehicles | House, Real Estate | Household Durables |
| Postponed Purchases | | | | | | |
| All households | 30% | 37% | 33% | 12% | 10% | 10% |
| Interest rate that would have been charged on postponed purchase | | | | | | |
| Median | 17.3% | 17.6% | 17.5% | 17.5% | 17.1% | 17.8% |
| Highest interest willing to pay to make purchases | | | | | | |
| Median | 11.8% | 12.0% | 12.0% | 12.1% | 12.1% | 12.1% |
| Difference between interest rate charged and willing to pay | | | | | | |
| Median | 4.6% | 5.0% | 4.9% | 4.6% | 4.6% | 5.1% |

---

The questions asked were: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?" "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

FEBRUARY 1982

u 7475-2 (B)

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

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# TABLES AND CHARTS

## FEBRUARY 1982

The February 1982 survey is the 161st in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

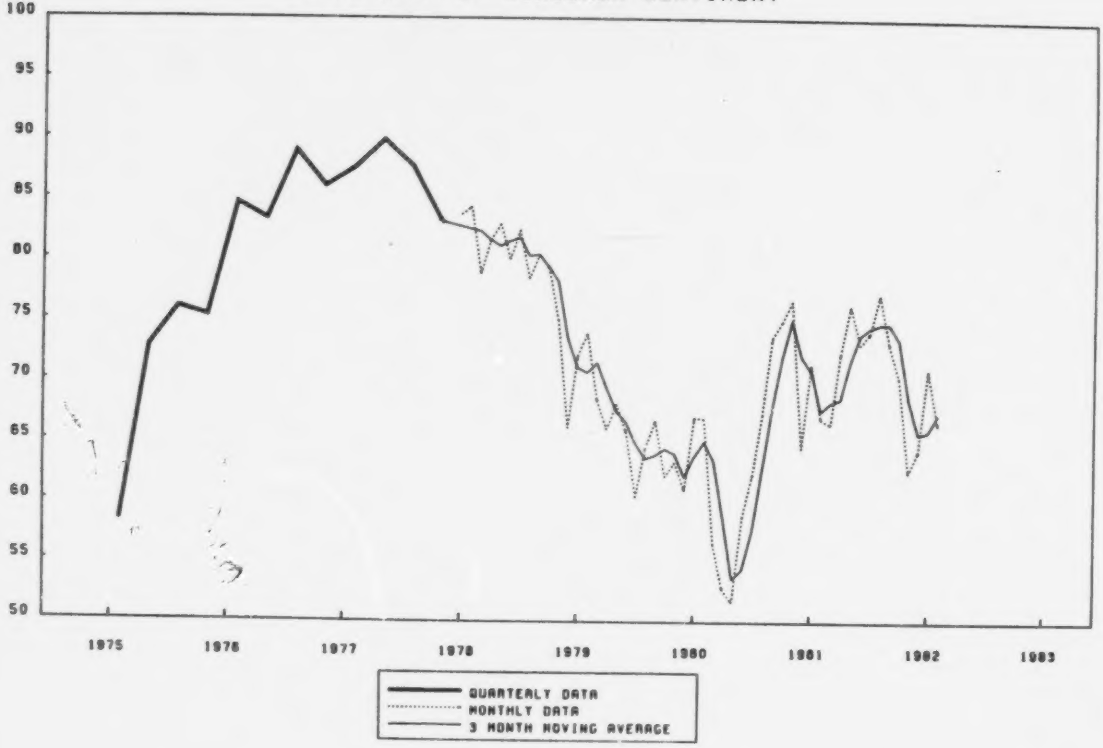


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

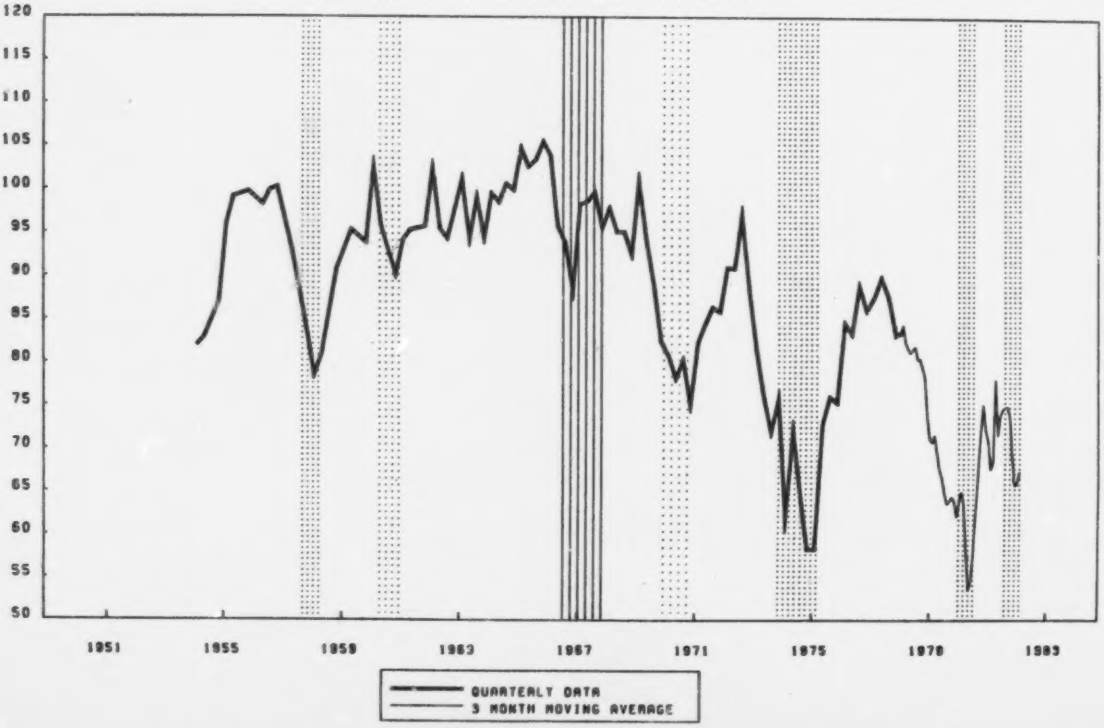
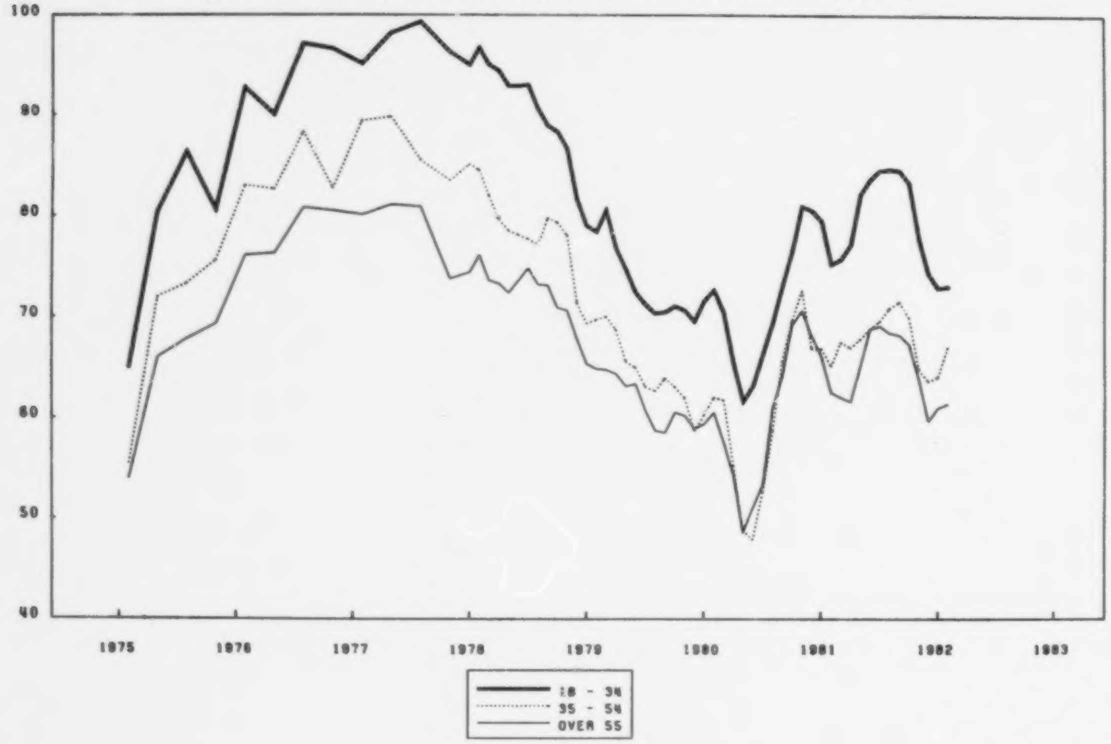


TABLE 1

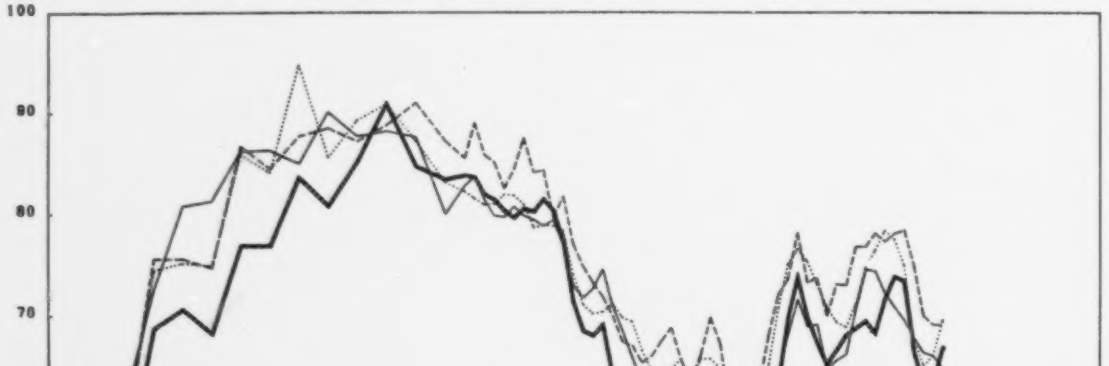
## THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|---|
| February | 1979 | 73.9 | 84.3 | 86.[illegible] |
| March | 1979 | 68.4 | 75.3 | 73.6 |
| April | 1979 | 66.0 | 73.7 | 77.0 |
| May | 1979 | 68.1 | 73.5 | 76.7 |
| June | 1979 | 65.8 | 71.8 | 72.9 |
| July | 1979 | 60.4 | 67.2 | 68.0 |
| August | 1979 | 64.5 | 70.0 | 71.3 |
| September | 1979 | 66.7 | 71.6 | 74.4 |
| October | 1979 | 62.1 | 65.6 | 65.5 |
| November | 1979 | 63.3 | 68.3 | 69.9 |
| December | 1979 | 61.0 | 66.2 | 73.2 |
| January | 1980 | 67.0 | 70.8 | 70.9 |
| February | 1980 | 66.9 | 70.8 | 73.5 |
| March | 1980 | 56.5 | 62.3 | 64.5 |
| April | 1980 | 52.7 | 54.2 | 57.2 |
| May | 1980 | 51.7 | 55.2 | 53.3 |
| June | 1980 | 58.7 | 61.6 | 63.7 |
| July | 1980 | 62.3 | 67.6 | 67.3 |
| August | 1980 | 67.3 | 70.9 | 74.2 |
| September | 1980 | 73.7 | 78.1 | 78.5 |
| October | 1980 | 75.0 | 76.3 | 78.7 |
| November | 1980 | 76.7 | 82.7 | 87.5 |
| December | 1980 | 64.5 | 66.9 | 68.6 |
| January | 1981 | 71.4 | 74.8 | 77.1 |
| February | 1981 | 66.9 | 74.2 | 77.5 |
| March | 1981 | 66.5 | 72.1 | 73.7 |
| April | 1981 | 72.4 | 77.1 | 78.0 |
| May | 1981 | 76.3 | 80.8 | 85.0 |
| June | 1981 | 73.1 | 81.2 | 82.9 |
| July | 1981 | 74.1 | 80.8 | 82.1 |
| August | 1981 | 77.2 | 82.7 | 85.0 |
| September | 1981 | 73.1 | 75.2 | 73.3 |
| October | 1981 | 70.3 | 74.5 | 77.9 |
| November | 1981 | 62.5 | 67.2 | 66.3 |
| December | 1981 | 64.3 | 71.0 | 71.1 |
| January | 1982 | 71.0 | 77.9 | 77.8 |
| February | 1982 | 66.5 | 71.5 | 72.8 |

## CHART 2A
## INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS



## CHART 2B
## INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS



## TABLE 2

## INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|
| DATE OF SURVEY | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| February 1979 | 68.0 | 75.8 | 73.5 | 77.5 | 80.9 | 74.6 | 67.7 |
| March 1979 | 65.5 | 71.3 | 68.0 | 67.4 | 77.9 | 64.7 | 63.3 |
| April 1979 | 58.1 | 65.6 | 71.9 | 64.8 | 71.5 | 66.4 | 61.8 |
| May 1979 | 64.9 | 68.2 | 69.1 | 69.6 | 74.6 | 65.3 | 64.1 |
| June 1979 | 66.8 | 63.3 | 66.8 | 66.3 | 71.2 | 62.9 | 63.9 |
| July 1979 | 60.4 | 58.0 | 63.3 | 59.7 | 67.7 | 60.9 | 54.1 |
| August 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |
| January 1982 | 68.8 | 67.3 | 72.0 | 76.2 | 76.6 | 67.4 | 68.5 |
| February 1982 | 65.9 | 60.6 | 71.8 | 68.8 | 71.5 | 68.3 | 59.0 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

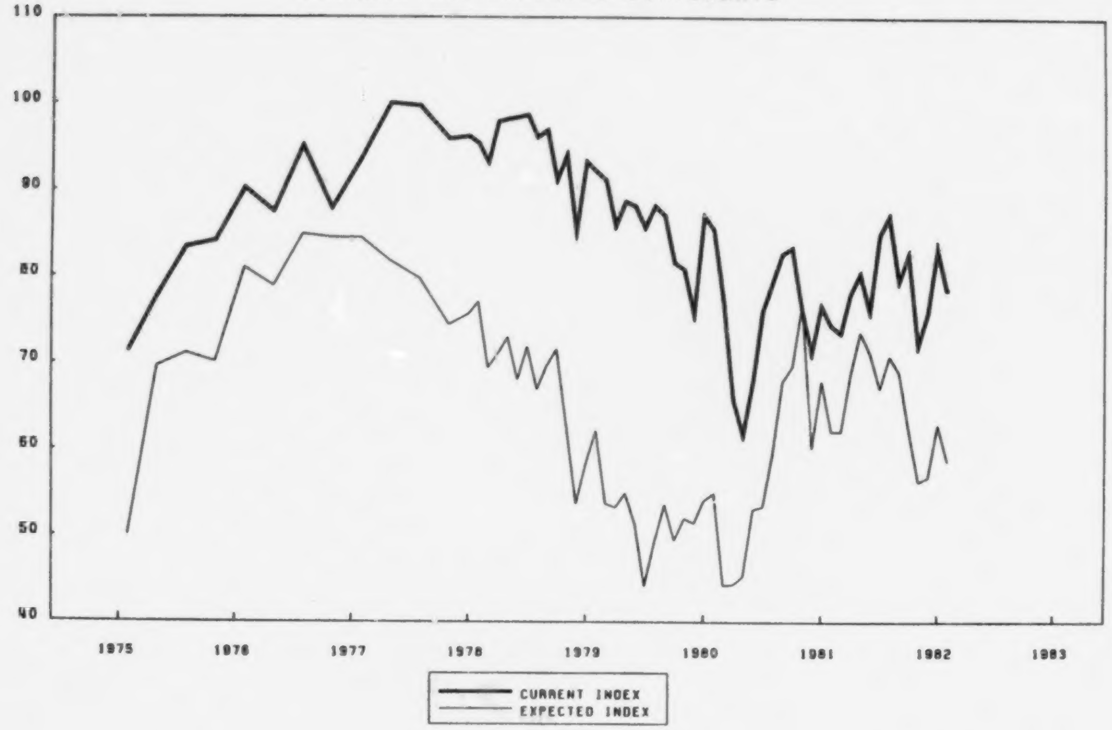
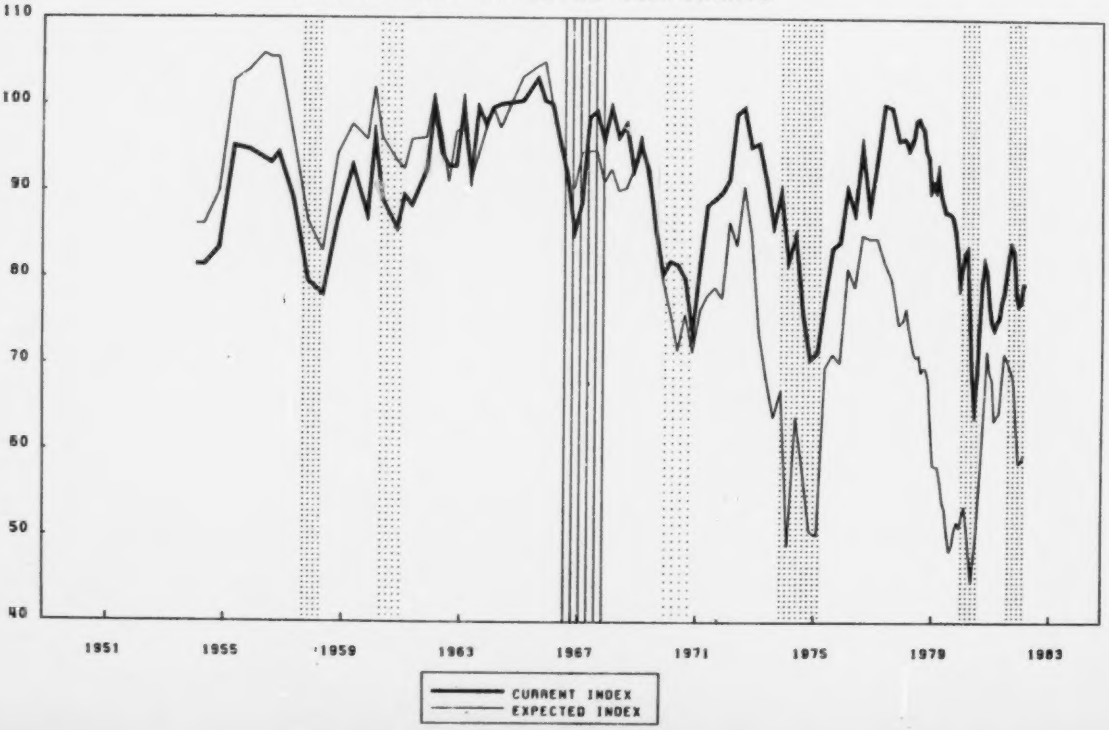


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



## TABLE 3

## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | | | |
| DATE OF SURVEY | Current (1) | Expected (2) | 12 months (3) | 5 years (4) | Buying conds. (5) | Current Index (1,5) | Expected Index (2,3,4) |
| February 1979 | 98 | 98 | 75 | 71 | 138 | 92.2 | 62.2 |
| March 1979 | 96 | 99 | 57 | 53 | 138 | 91.2 | 53.7 |
| April 1979 | 85 | 90 | 63 | 55 | 134 | 85.9 | 53.3 |
| May 1979 | 91 | 95 | 58 | 62 | 136 | 88.7 | 54.9 |
| June 1979 | 92 | 91 | 54 | 55 | 134 | 88.2 | 51.4 |
| July 1979 | 90 | 92 | 39 | 40 | 130 | 85.7 | 44.2 |
| August 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |
| January 1982 | 92 | 115 | 66 | 70 | 124 | 83.5 | 62.9 |
| February 1982 | 91 | 112 | 56 | 65 | 111 | 78.6 | 58.7 |

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

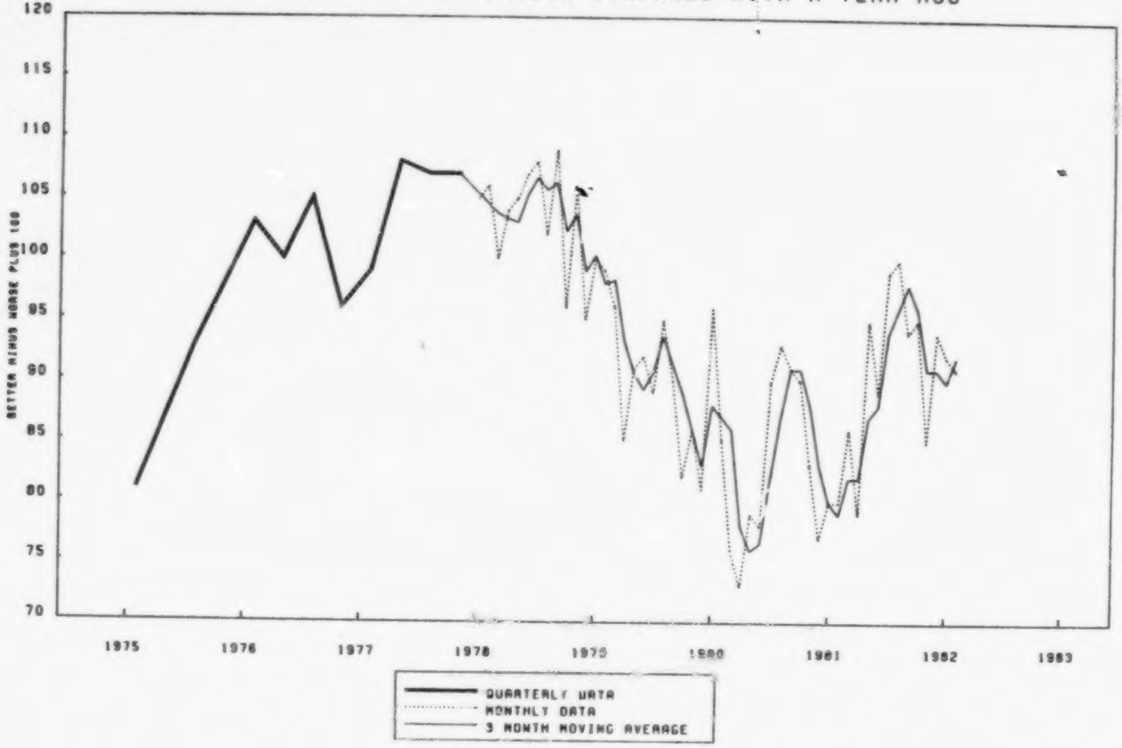
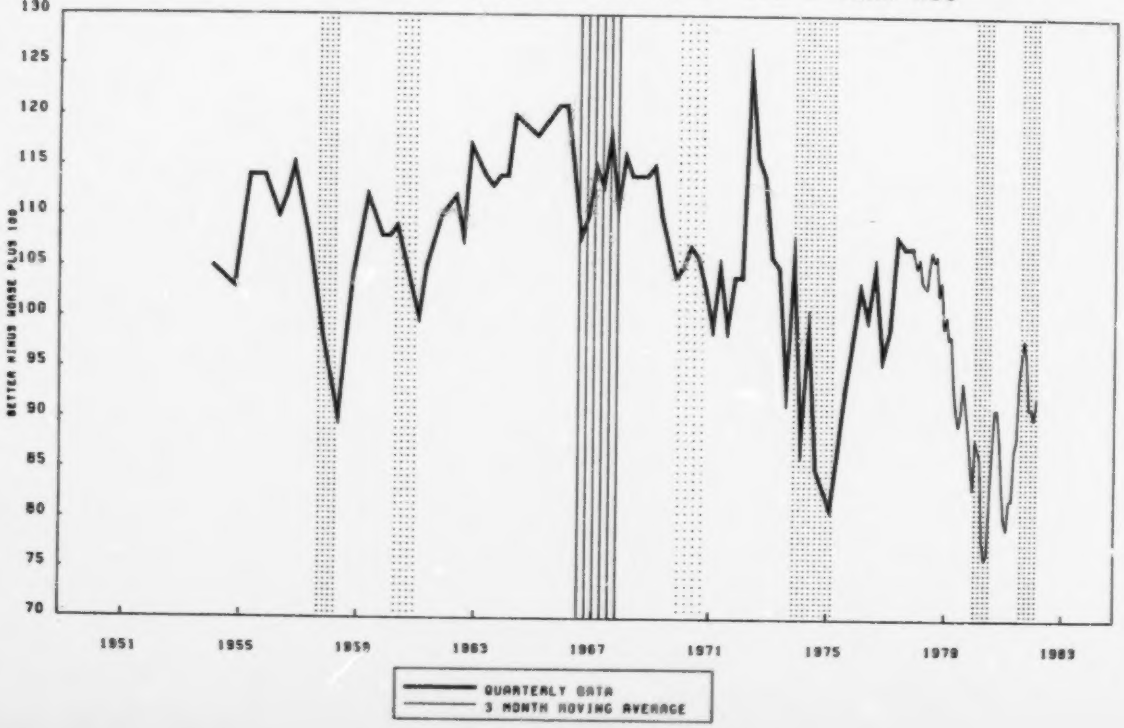


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 27% | 29% | 25% | 31% | 29% | 34% | 33% | 32% | 31% | 29% | 32% | 32% | 30% |
| SAME | 26 | 28 | 28 | 32 | 31 | 30 | 33 | 29 | 32 | 27 | 29 | 28 | 30 |
| WORSE OFF | 47 | 43 | 46 | 36 | 40 | 35 | 33 | 38 | 36 | 44 | 38 | 40 | 39 |
| DK,NA | * | * | 1 | 1 | * | 1 | 1 | 1 | 1 | * | 1 | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

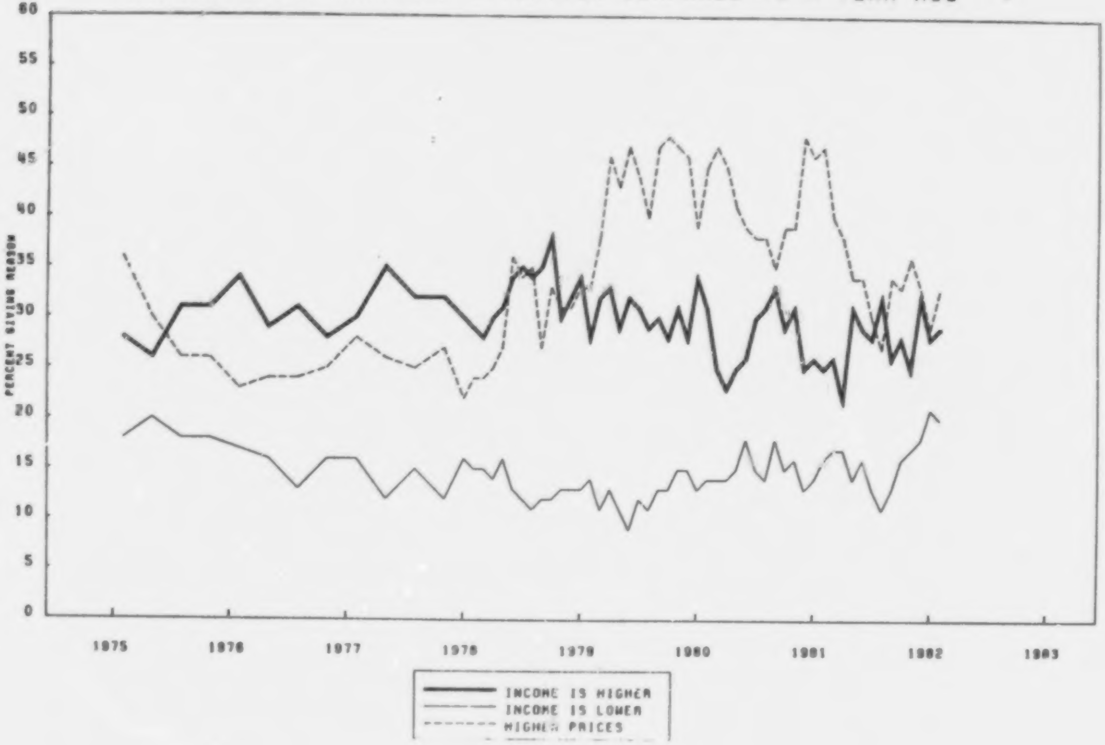
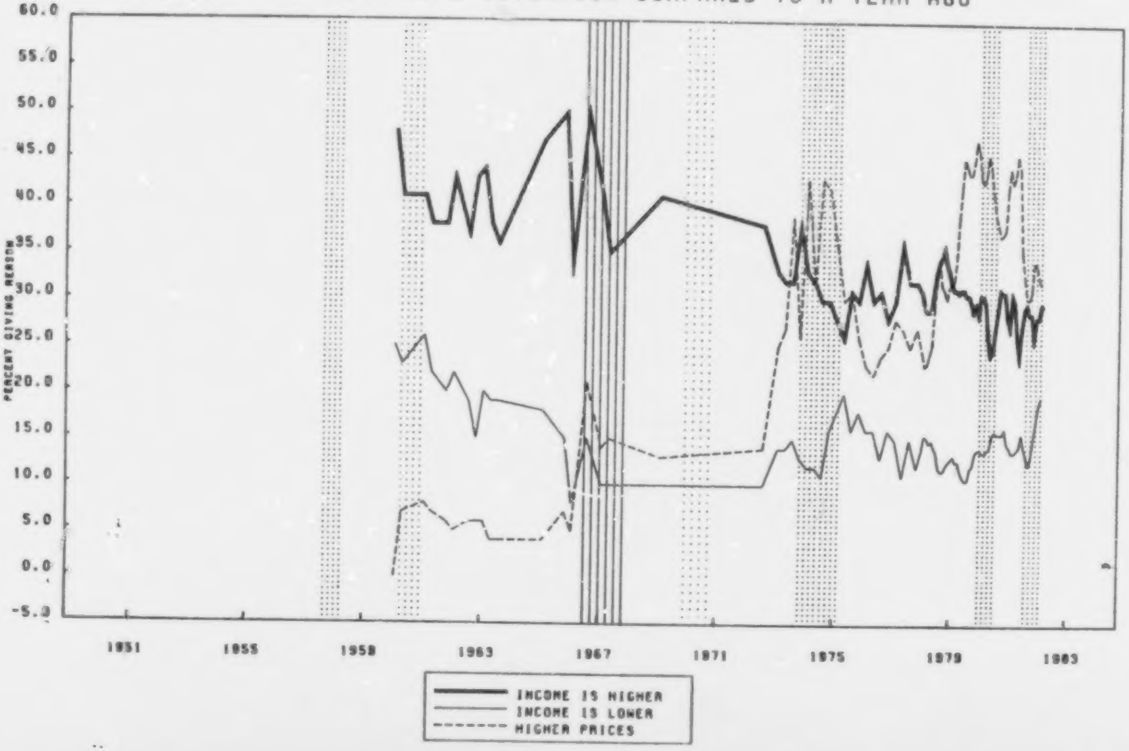


CHART 5 - HISTORICAL SERIES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 25% | 26% | 22% | 31% | 29% | 28% | 32% | 26% | 28% | 25% | 32% | 28% | 29% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 16 | 17 | 17 | 14 | 16 | 13 | 11 | 13 | 16 | 17 | 18 | 21 | 20 |
| Higher prices | 47 | 40 | 38 | 34 | 34 | 30 | 27 | 34 | 33 | 36 | 33 | 29 | 33 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

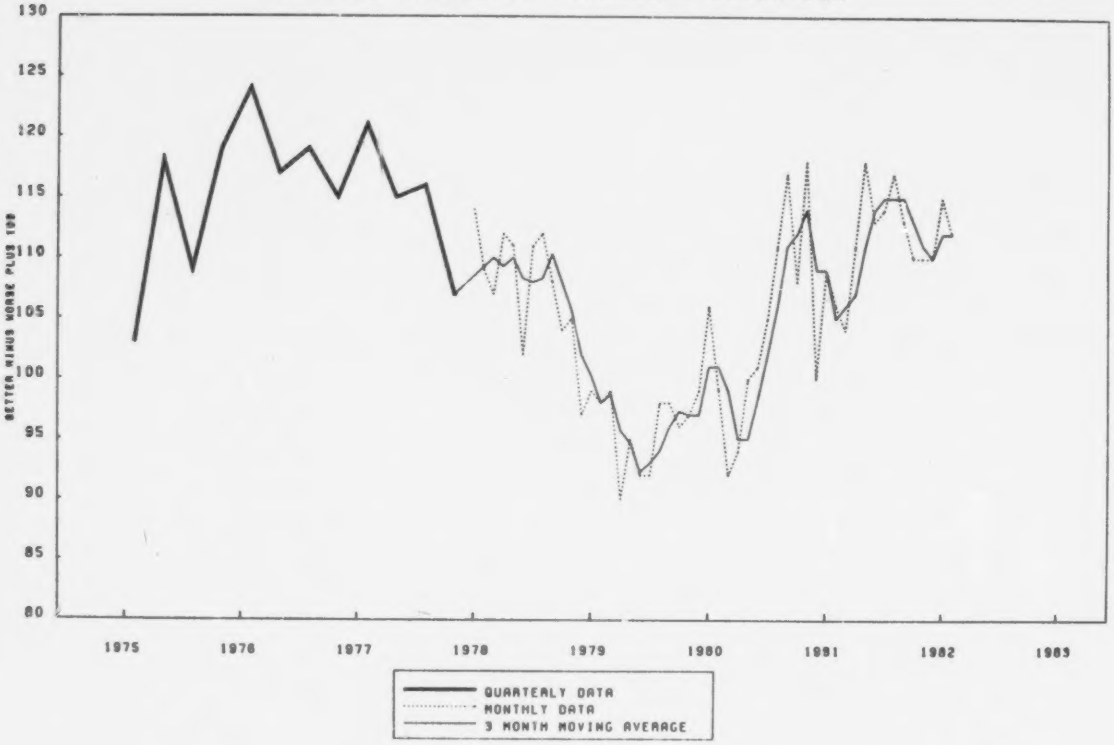
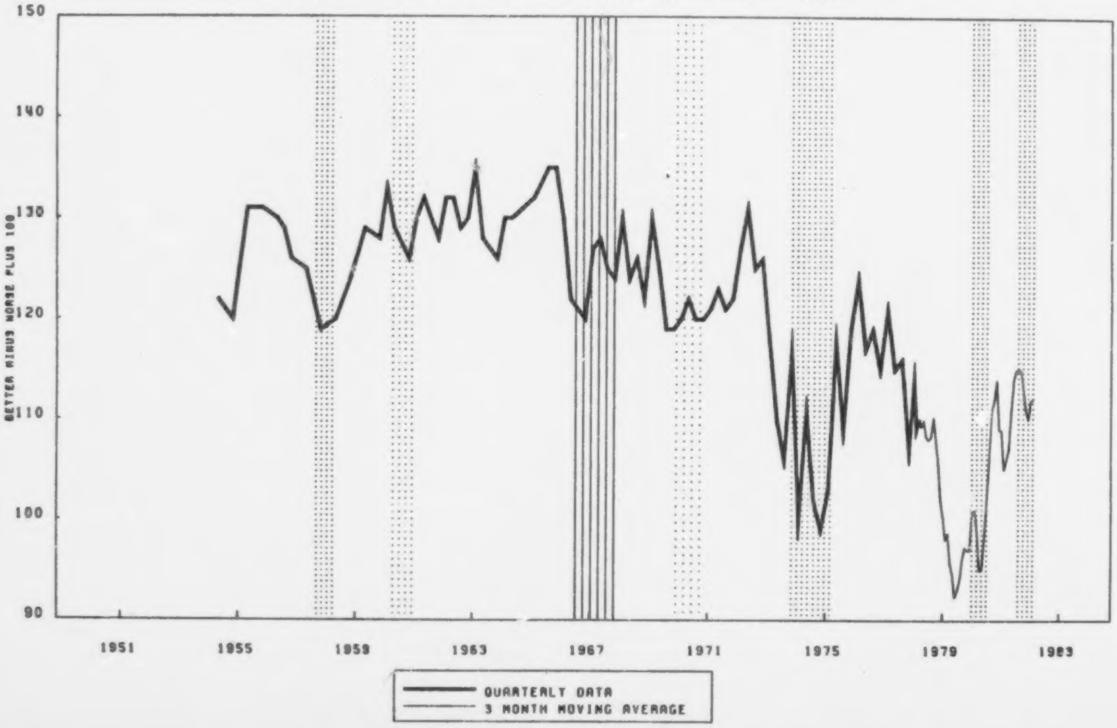


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION



## TABLE 6

## EXPECTED CHANGE IN FINANCIAL SITUATION

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 26% | 28% | 30% | 34% | 32% | 29% | 34% | 31% | 29% | 30% | 30% | 33% | 30% |
| SAME | 48 | 45 | 47 | 48 | 44 | 52 | 46 | 45 | 49 | 46 | 48 | 46 | 47 |
| WORSE OFF | 20 | 24 | 19 | 16 | 19 | 15 | 17 | 18 | 19 | 20 | 20 | 18 | 18 |
| DK,NA | 6 | 3 | 4 | 2 | 5 | 4 | 3 | 6 | 3 | 4 | 2 | 3 | 5 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

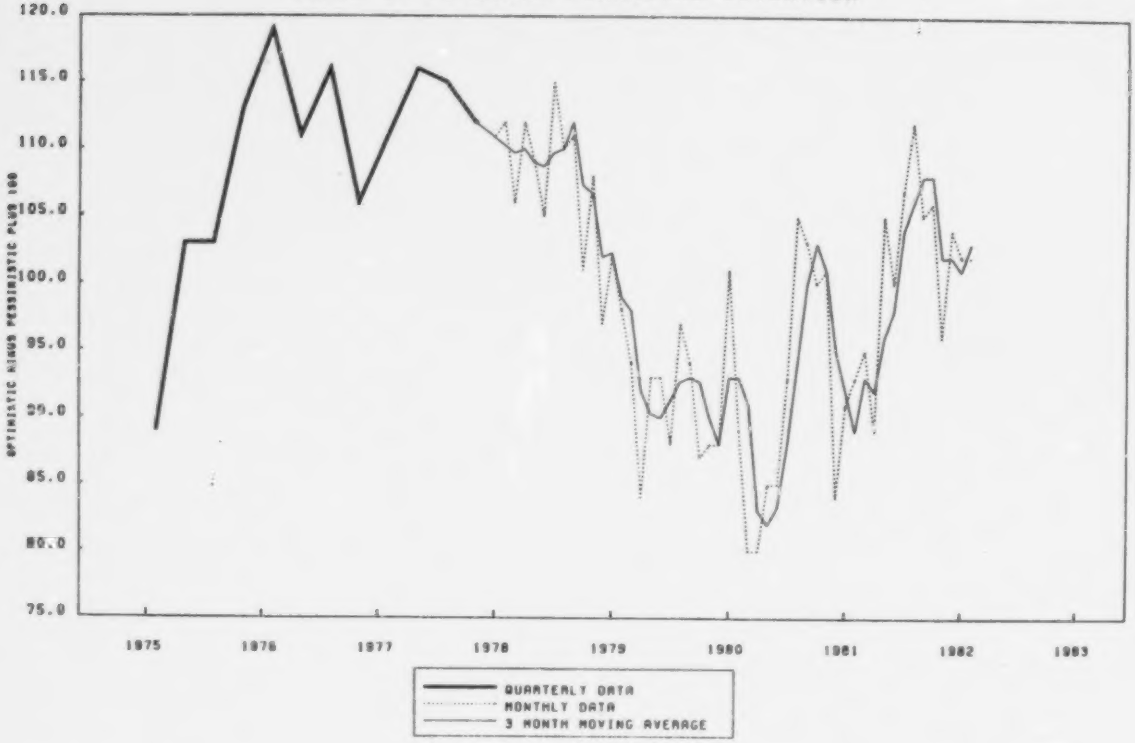
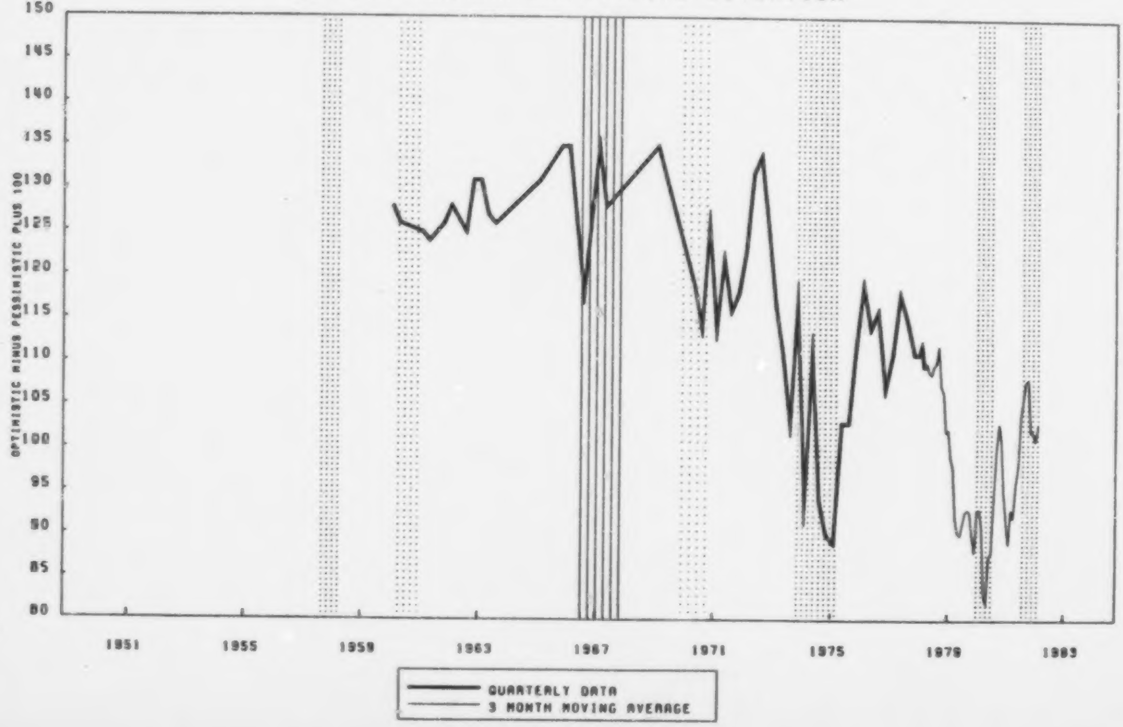


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

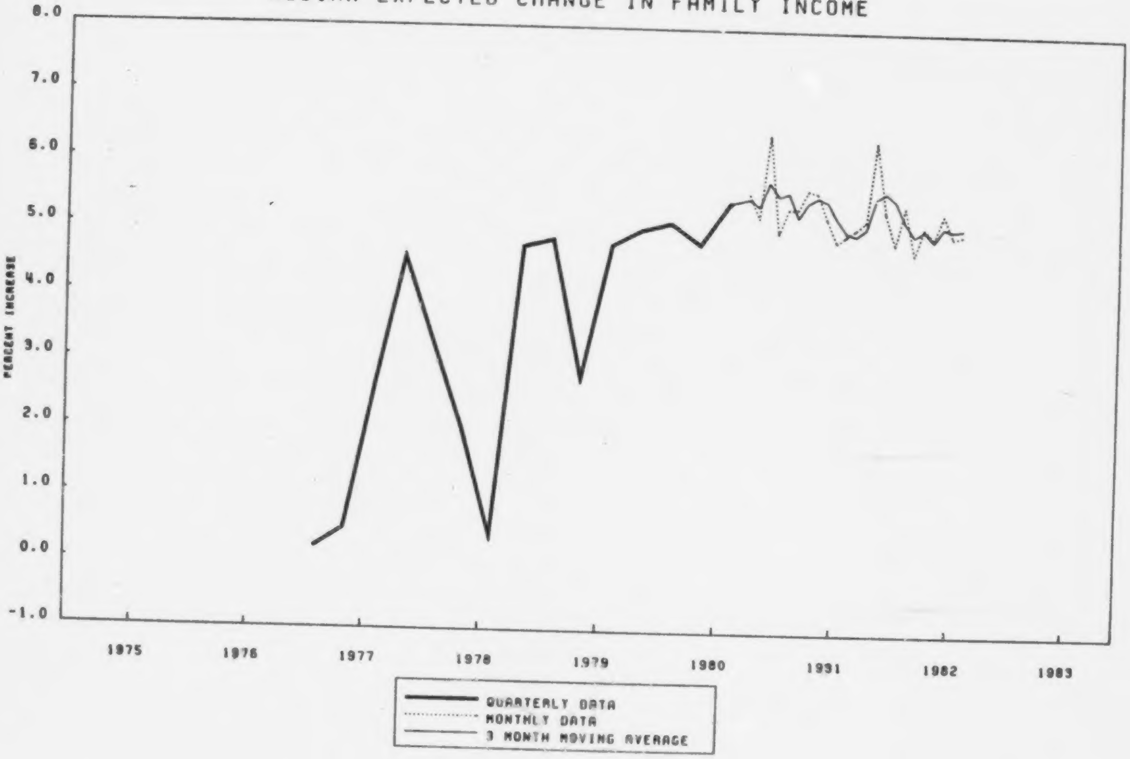
## TREND IN PERSONAL FINANCIAL SITUATION

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 8% | 12% | 11% | 15% | 13% | 15% | 14% | 16% | 13% | 13% | 13% | 15% | 15% |
| Intermittent increase (b) | 20 | 19 | 16 | 23 | 22 | 22 | 25 | 19 | 21 | 19 | 25 | 21 | 19 |
| Remain unchanged (c) | 15 | 15 | 14 | 15 | 14 | 19 | 18 | 17 | 21 | 14 | 14 | 15 | 18 |
| Intermittent decline (d) | 23 | 22 | 27 | 25 | 24 | 21 | 18 | 19 | 15 | 23 | 22 | 23 | 20 |
| Continuous decline (e) | 12 | 14 | 11 | 8 | 11 | 9 | 9 | 11 | 13 | 13 | 12 | 11 | 12 |
| Mixed change (f) | 16 | 14 | 15 | 12 | 11 | 9 | 12 | 12 | 14 | 14 | 11 | 12 | 11 |
| DK,NA | 6 | 4 | 6 | 2 | 5 | 5 | 4 | 6 | 3 | 4 | 3 | 3 | 5 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME



## TABLE 8

## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 8% | 7% | 6% | 6% | 6% | 7% | 5% | 6% | 6% | 5% | 5% | 7% | 5% |
| 5% | 7 | 9 | 8 | 10 | 10 | 7 | 8 | 9 | 10 | 9 | 9 | 10 | 9 |
| 6-9% | 10 | 11 | 11 | 11 | 10 | 10 | 9 | 10 | 13 | 8 | 10 | 11 | 12 |
| 10-24% | 20 | 21 | 22 | 28 | 25 | 21 | 27 | 23 | 21 | 23 | 24 | 22 | 22 |
| 25% or more | 7 | 7 | 7 | 8 | 7 | 10 | 6 | 6 | 6 | 8 | 8 | 7 | 6 |
| DK how much up | 9 | 9 | 9 | 7 | 7 | 5 | 6 | 6 | 6 | 4 | 6 | 4 | 6 |
| EXPECT SAME | 24 | 21 | 25 | 19 | 21 | 24 | 26 | 27 | 24 | 25 | 21 | 23 | 25 |
| EXPECT DOWN | 11 | 12 | 10 | 8 | 11 | 13 | 9 | 12 | 12 | 15 | 15 | 14 | 13 |
| DK,NA | 4 | 3 | 2 | 3 | 3 | 3 | 4 | 1 | 2 | 3 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

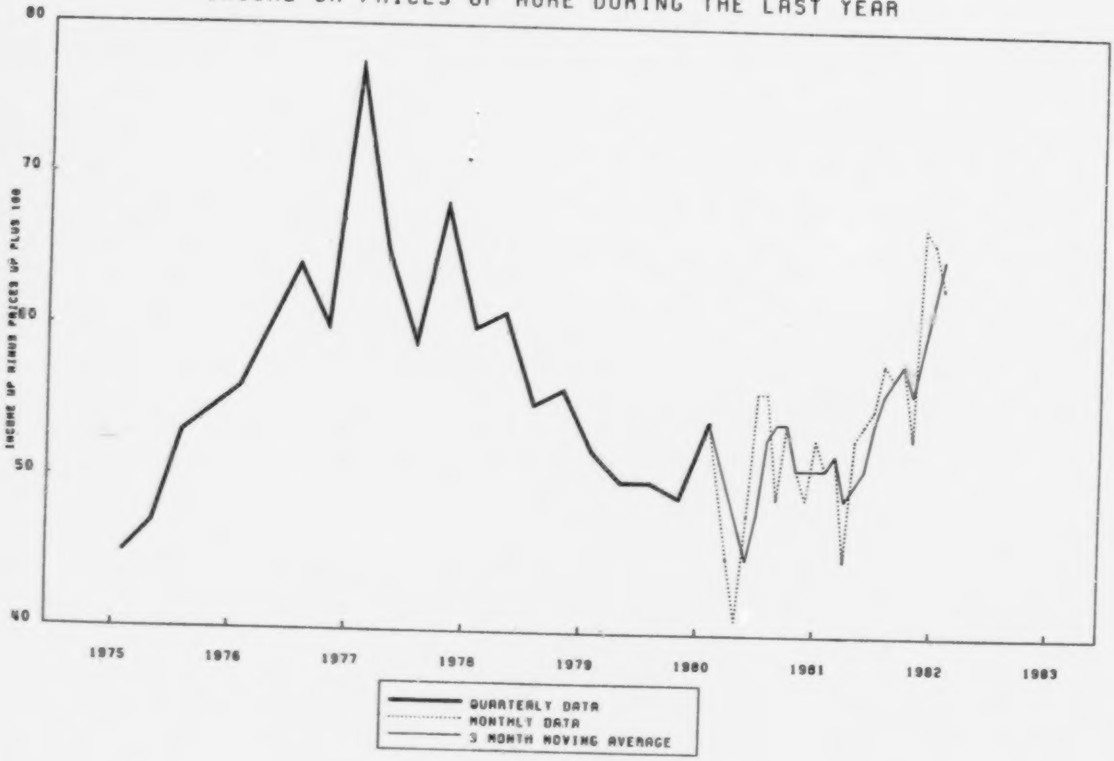


CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

## TABLE 9

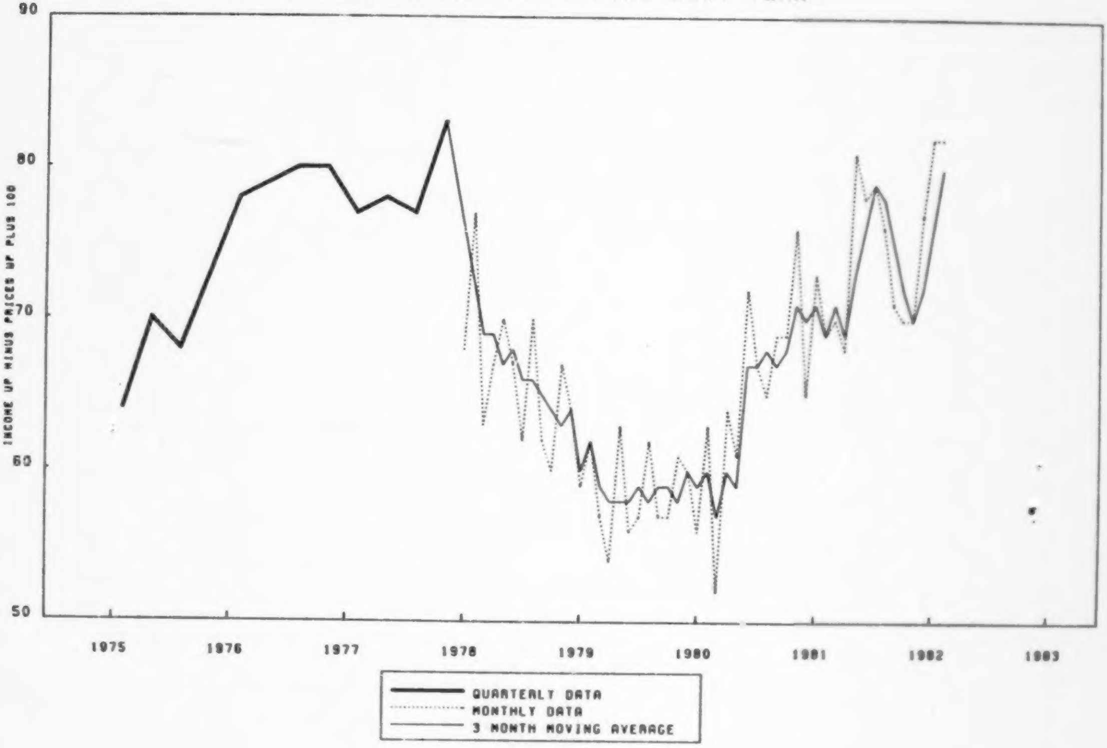
## PAST CHANGE IN REAL FAMILY INCOME

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 10% | 13% | 9% | 12% | 13% | 13% | 14% | 13% | 13% | 12% | 17% | 17% | 16% |
| INCOME UP SAME | 28 | 24 | 26 | 28 | 26 | 25 | 29 | 31 | 30 | 27 | 32 | 30 | 30 |
| PRICES UP MORE | 59 | 61 | 64 | 59 | 59 | 58 | 56 | 56 | 55 | 59 | 50 | 51 | 53 |
| DK,NA | 3 | 2 | 1 | 1 | 2 | 4 | 1 | * | 2 | 2 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



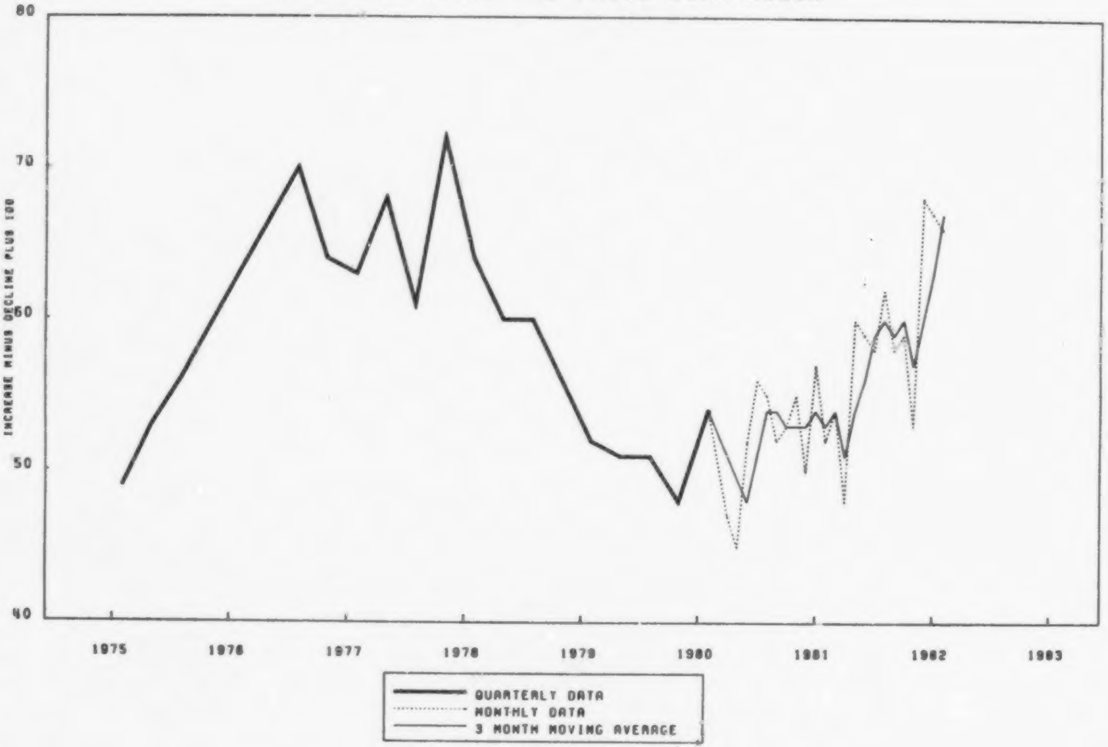
# TABLE 10

## EXPECTED CHANGE IN REAL FAMILY INCOME

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 11% | 14% | 13% | 19% | 16% | 17% | 16% | 13% | 14% | 13% | 17% | 17% | 20% |
| INCOME UP SAME | 43 | 38 | 39 | 41 | 43 | 41 | 40 | 42 | 40 | 41 | 41 | 45 | 40 |
| PRICES UP MORE | 42 | 44 | 45 | 38 | 38 | 38 | 40 | 42 | 44 | 43 | 40 | 35 | 38 |
| DK,NA | 4 | 4 | 3 | 2 | 3 | 4 | 4 | 3 | 2 | 3 | 2 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

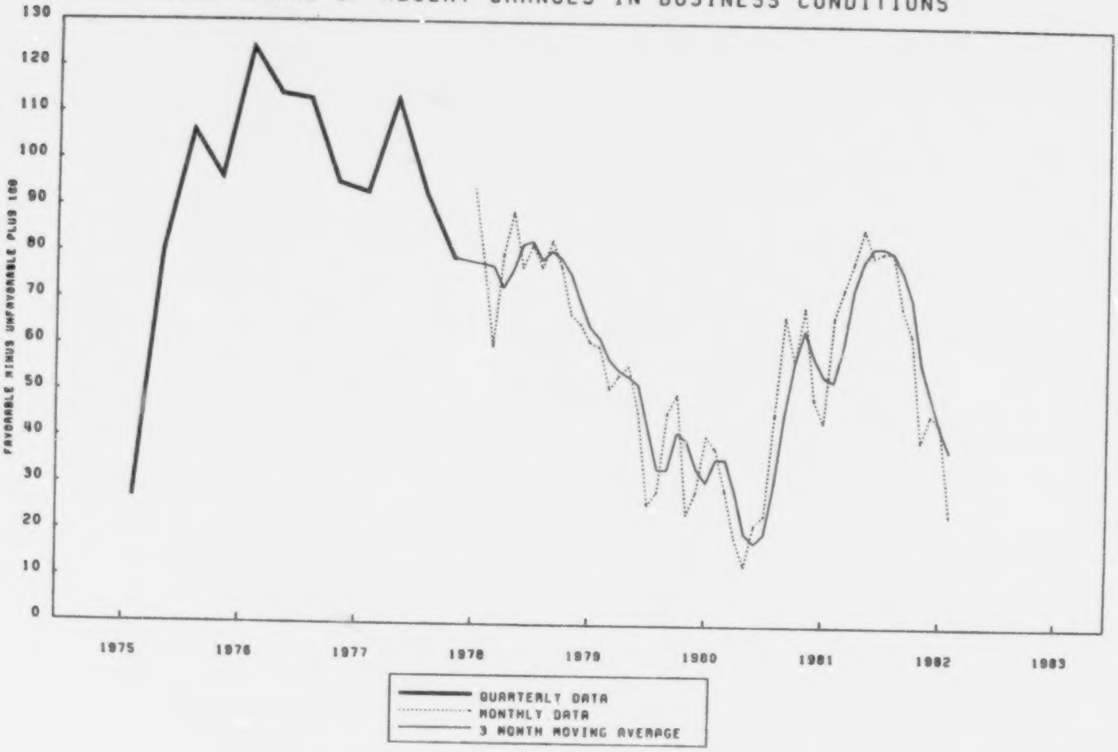
## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 4% | 6% | 4% | 6% | 6% | 8% | 7% | 5% | 5% | 5% | 8% | 9% | 9% |
| Intermittent increase (b) | 8 | 9 | 7 | 10 | 10 | 7 | 8 | 11 | 10 | 8 | 12 | 11 | 9 |
| Remain unchanged (c) | 18 | 14 | 17 | 16 | 17 | 16 | 20 | 19 | 18 | 17 | 19 | 19 | 20 |
| Intermittent decline (d) | 25 | 26 | 25 | 25 | 25 | 25 | 21 | 24 | 21 | 25 | 22 | 25 | 22 |
| Continuous decline (e) | 35 | 35 | 38 | 31 | 32 | 32 | 32 | 34 | 35 | 34 | 30 | 28 | 30 |
| Mixed change (f) | 5 | 5 | 6 | 9 | 6 | 7 | 8 | 4 | 8 | 6 | 6 | 5 | 8 |
| DK,NA | 5 | 5 | 3 | 3 | 4 | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

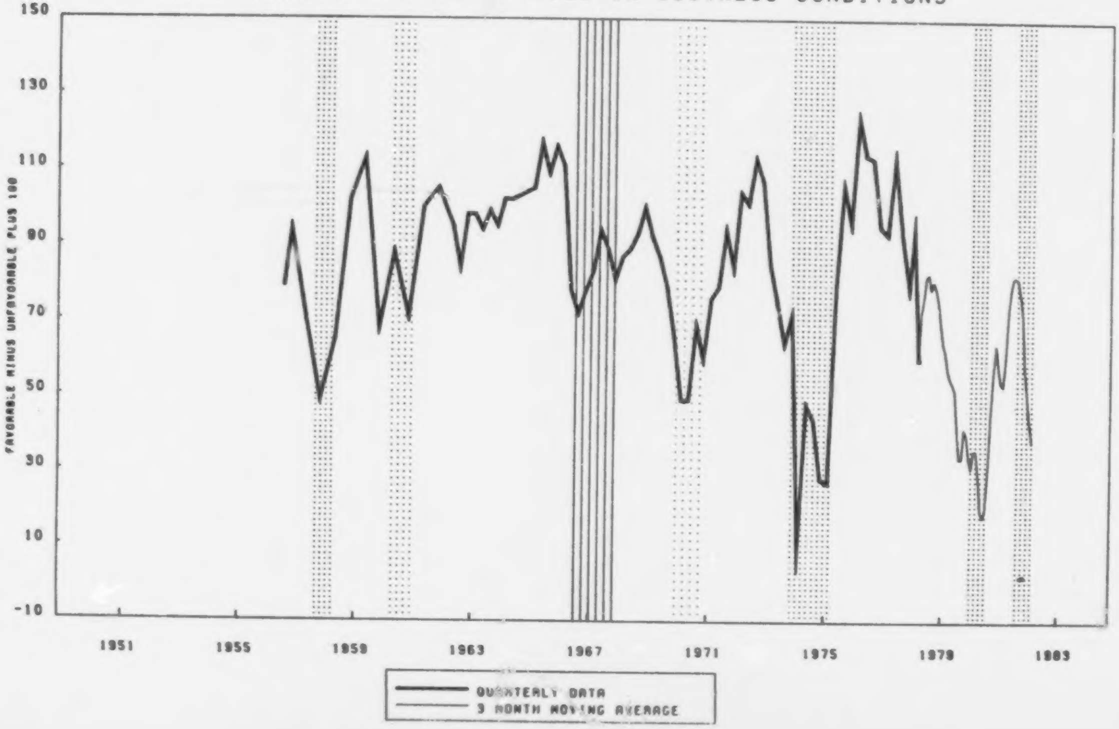
Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

## CHART 12 - RECENT CHANGES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## CHART 12 - HISTORICAL SERIES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 23% | 30% | 28% | 31% | 24% | 27% | 28% | 24% | 22% | 14% | 23% | 23% | 20% |
| UNFAVORABLE NEWS | 56 | 57 | 49 | 45 | 44 | 46 | 47 | 55 | 59 | 74 | 77 | 79 | 96 |
| NO MENTIONS | 46 | 42 | 47 | 47 | 52 | 51 | 48 | 47 | 45 | 43 | 37 | 33 | 29 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

## TABLE 13

## SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

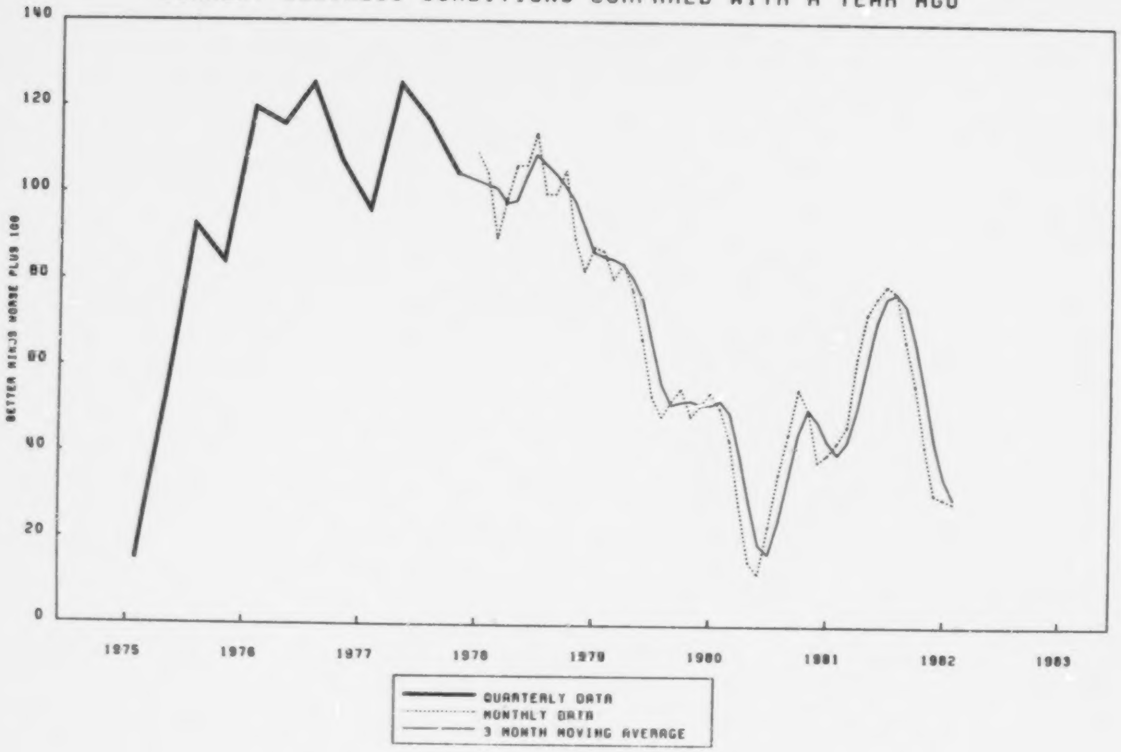
| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 9% | 9% | 6% | 4% | 6% | 4% | 7% | 8% | 5% | 3% | 4% | 4% | 3% |
| Employment | 5 | 8 | 7 | 8 | 4 | 7 | 8 | 6 | 4 | 2 | 4 | 5 | 5 |
| Consumer demand high | 1 | 1 | 3 | 4 | 1 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | * |
| Prices are low | 1 | 1 | 2 | 2 | 3 | 4 | 2 | * | 1 | * | 1 | 2 | 1 |
| Credit is easy | 3 | 4 | 5 | 2 | 2 | 2 | 2 | 2 | 3 | 4 | 10 | 6 | 5 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 5 | 7 | 7 | 4 | 4 | 5 | 6 | 5 | 5 | 3 | 4 | 5 | 6 |
| Unemployment | 15 | 19 | 19 | 14 | 16 | 16 | 17 | 19 | 20 | 28 | 32 | 35 | 40 |
| Consumer demand low | 9 | 10 | 6 | 6 | 3 | 4 | 5 | 3 | 6 | 10 | 11 | 11 | 14 |
| Prices are high | 10 | 6 | 6 | 4 | 5 | 5 | 3 | 5 | 3 | 7 | 4 | 5 | 4 |
| Credit is tight | 7 | 4 | 4 | 7 | 9 | 7 | 7 | 10 | 10 | 11 | 8 | 6 | 8 |
| Energy crisis | * | 1 | * | * | * | * | 1 | 1 | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

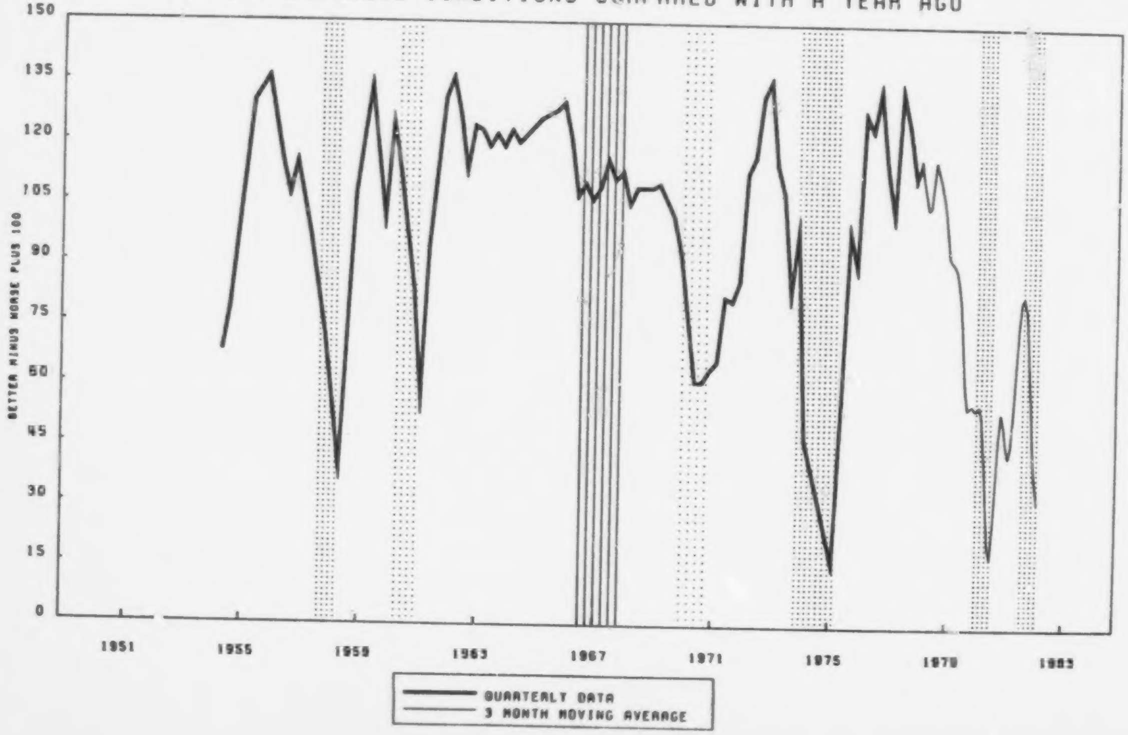
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

## CHART 14 - RECENT CHANGES
## CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## CHART 14 - HISTORICAL SERIES
## CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 14% | 17% | 24% | 30% | 31% | 32% | 33% | 28% | 23% | 15% | 13% | 11% | 11% |
| SAME | 15 | 14 | 17 | 17 | 18 | 18 | 15 | 12 | 12 | 12 | 6 | 8 | 8 |
| WORSE NOW | 68 | 67 | 57 | 52 | 49 | 47 | 50 | 57 | 63 | 70 | 80 | 79 | 80 |
| DK,NA | 3 | 2 | 2 | 1 | 2 | 3 | 2 | 3 | 2 | 3 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

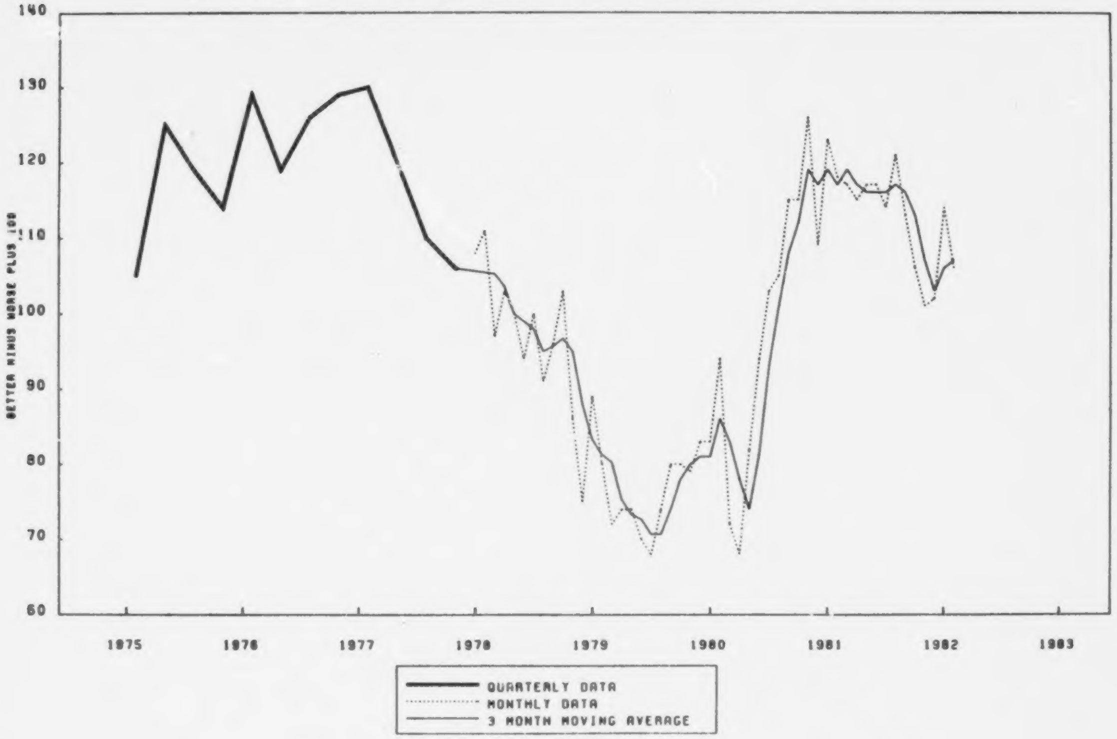
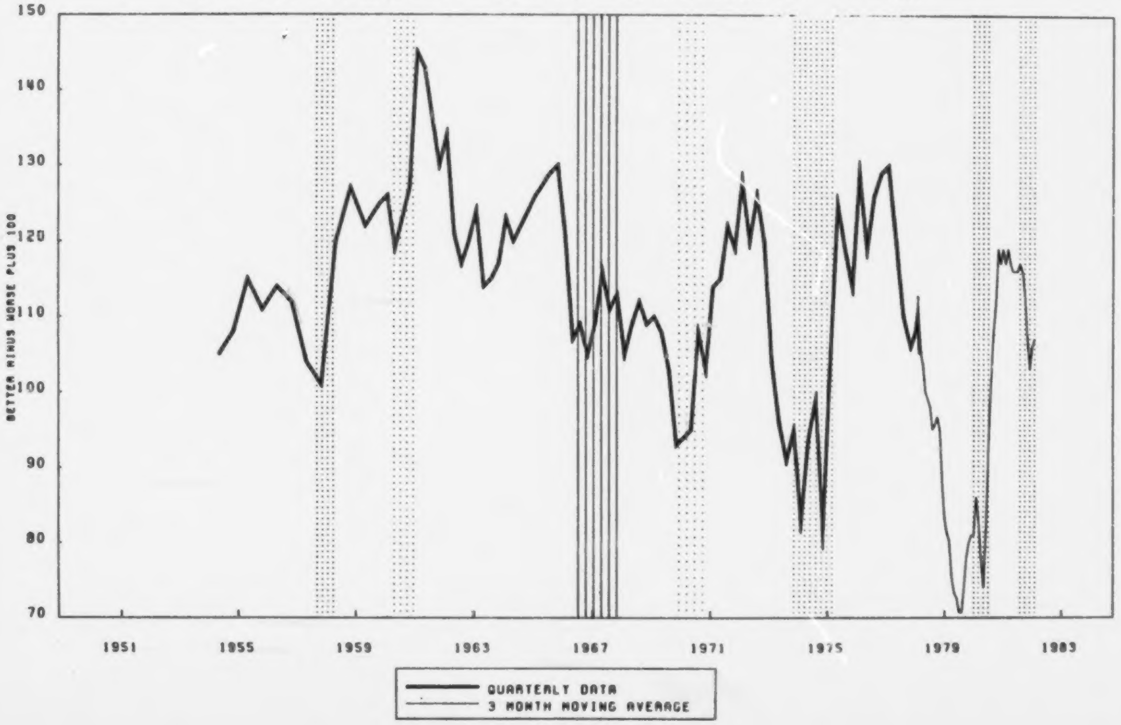


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 34% | 38% | 36% | 36% | 36% | 34% | 38% | 32% | 31% | 27% | 31% | 38% | 34% |
| SAME | 46 | 38 | 41 | 44 | 42 | 44 | 43 | 45 | 41 | 44 | 37 | 36 | 36 |
| WORSE | 16 | 21 | 21 | 19 | 19 | 20 | 17 | 19 | 25 | 26 | 29 | 24 | 28 |
| DK,NA | 4 | 3 | 2 | 1 | 3 | 2 | 2 | 4 | 3 | 3 | 3 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

## TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 32% | 32% | 31% | 25% | 25% | 21% | 29% | 24% | 19% | 15% | 15% | 19% | 19% |
| Employment | 2 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 6 | 3 | 2 | 5 | 4 |
| Higher consumer demand | 3 | 2 | 2 | 2 | 3 | 2 | 3 | 4 | 2 | 2 | 3 | 3 | 2 |
| Lower prices | 2 | 3 | 2 | 3 | 2 | 4 | 3 | 2 | 1 | 1 | 2 | 3 | 2 |
| Easier credit | 2 | 2 | 2 | 3 | 4 | 3 | 4 | 4 | 6 | 7 | 9 | 5 | 5 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 7 | 9 | 8 | 8 | 12 | 11 | 12 | 11 | 15 | 10 | 12 | 11 | 12 |
| Unemployment | 6 | 6 | 6 | 5 | 8 | 9 | 6 | 7 | 7 | 12 | 15 | 12 | 16 |
| Lower consumer demand | 4 | 4 | 5 | 4 | 4 | 5 | 3 | 6 | 4 | 6 | 7 | 6 | 7 |
| Higher prices | 12 | 8 | 10 | 6 | 8 | 7 | 4 | 9 | 7 | 8 | 8 | 5 | 6 |
| Tighter credit | 2 | 2 | 2 | 3 | 3 | 5 | 6 | 8 | 5 | 5 | 4 | 4 | 7 |
| Energy crisis | 1 | 1 | * | * | 1 | * | * | * | 1 | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

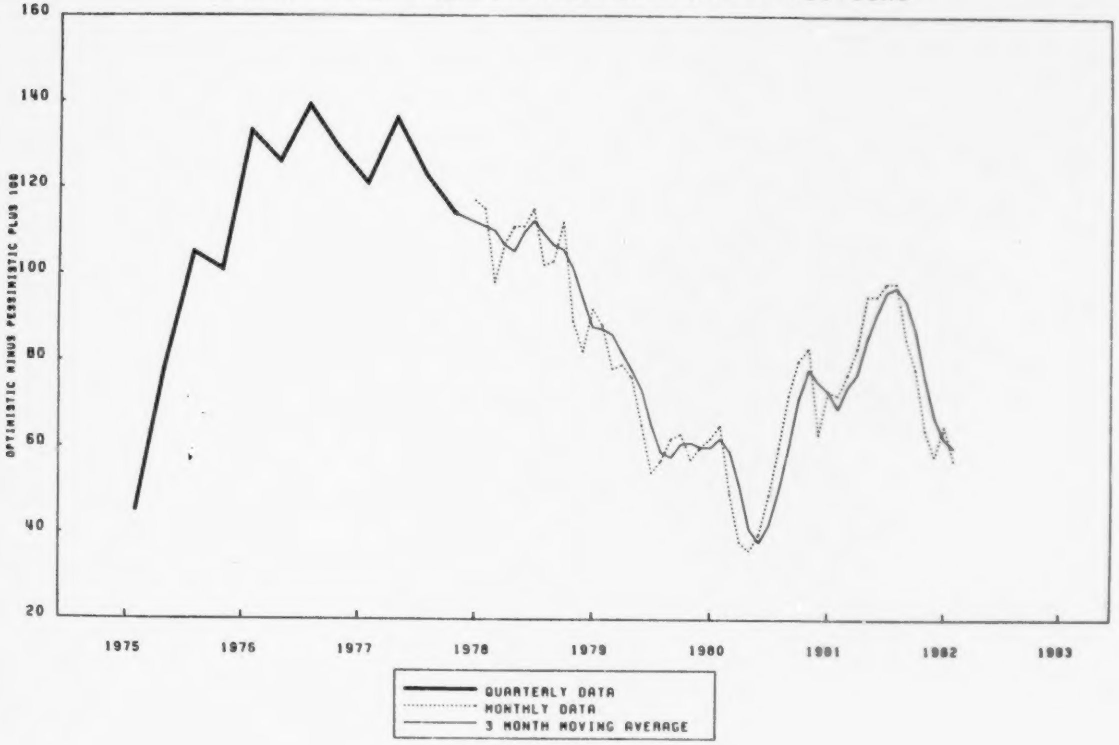
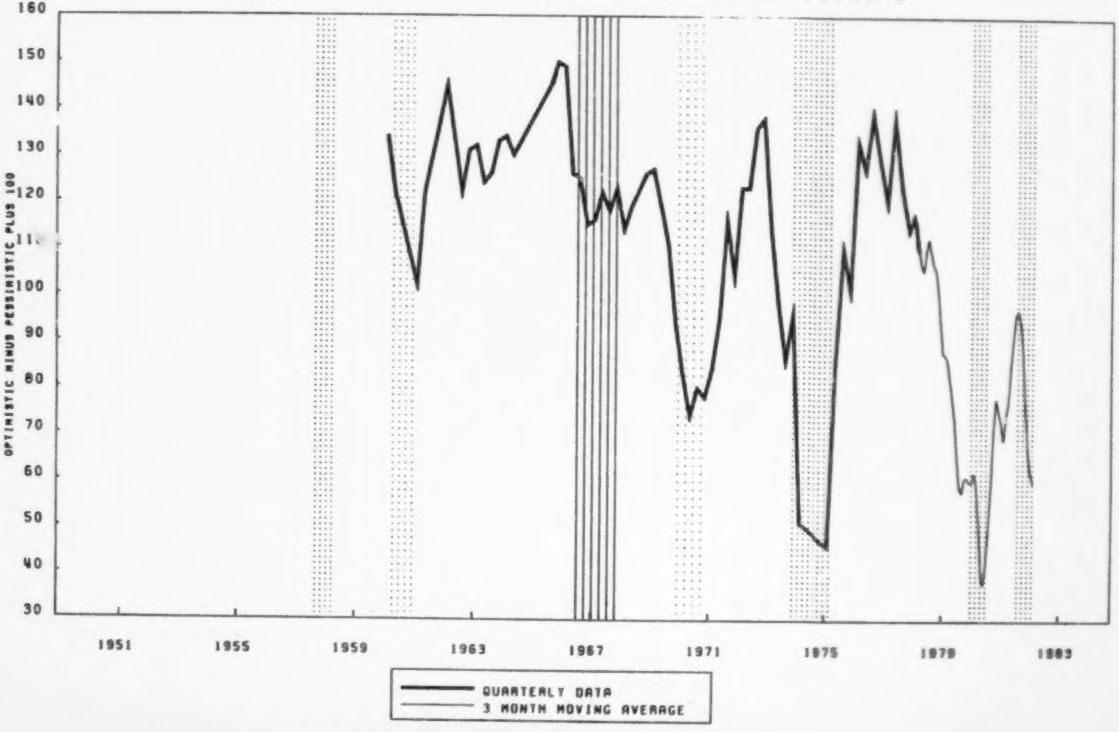


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## TABLE 17

## TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 7% | 9% | 15% | 14% | 19% | 15% | 18% | 14% | 12% | 6% | 5% | 6% | 6% |
| Intermittent increase (b) | 12 | 12 | 13 | 17 | 16 | 21 | 17 | 16 | 14 | 11 | 8 | 9 | 6 |
| Remain unchanged (c) | 7 | 6 | 8 | 10 | 8 | 8 | 7 | 6 | 4 | 6 | 3 | 3 | 4 |
| Intermittent decline (d) | 33 | 27 | 29 | 24 | 25 | 24 | 25 | 29 | 27 | 31 | 29 | 27 | 30 |
| Continuous decline (e) | 14 | 17 | 16 | 12 | 15 | 14 | 12 | 16 | 21 | 22 | 26 | 23 | 25 |
| Mixed change (f) | 21 | 25 | 16 | 20 | 12 | 13 | 18 | 14 | 17 | 18 | 25 | 29 | 26 |
| DK,NA | 6 | 4 | 3 | 3 | 5 | 5 | 3 | 5 | 5 | 6 | 4 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

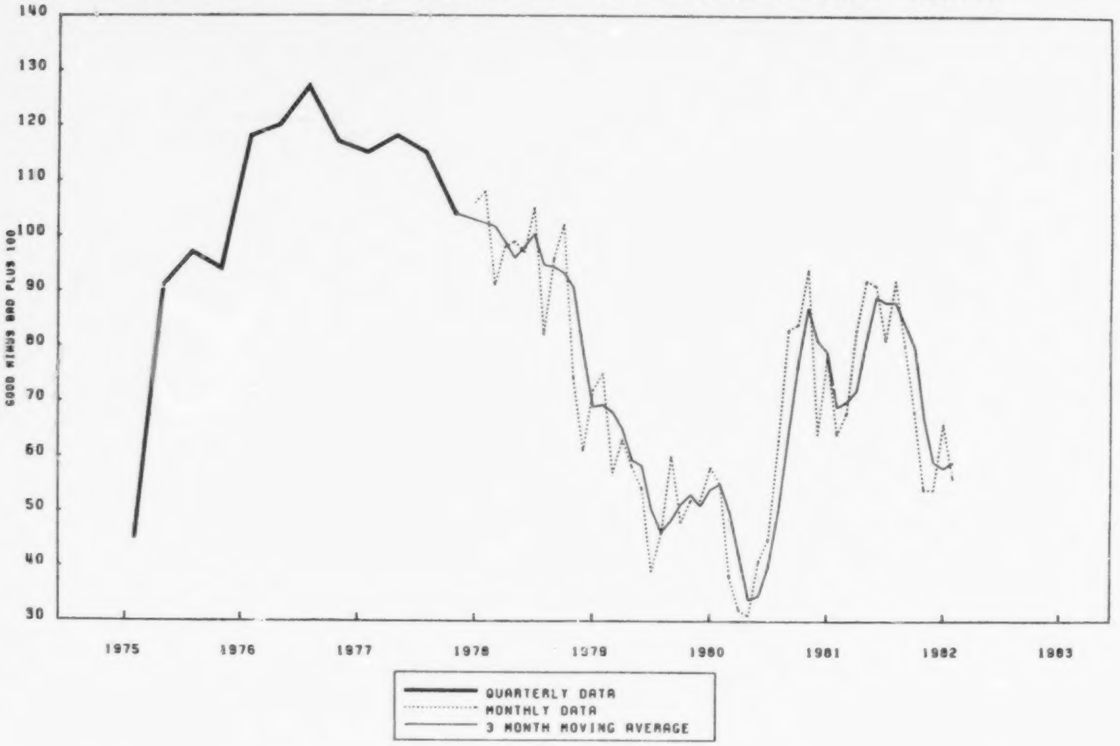


CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

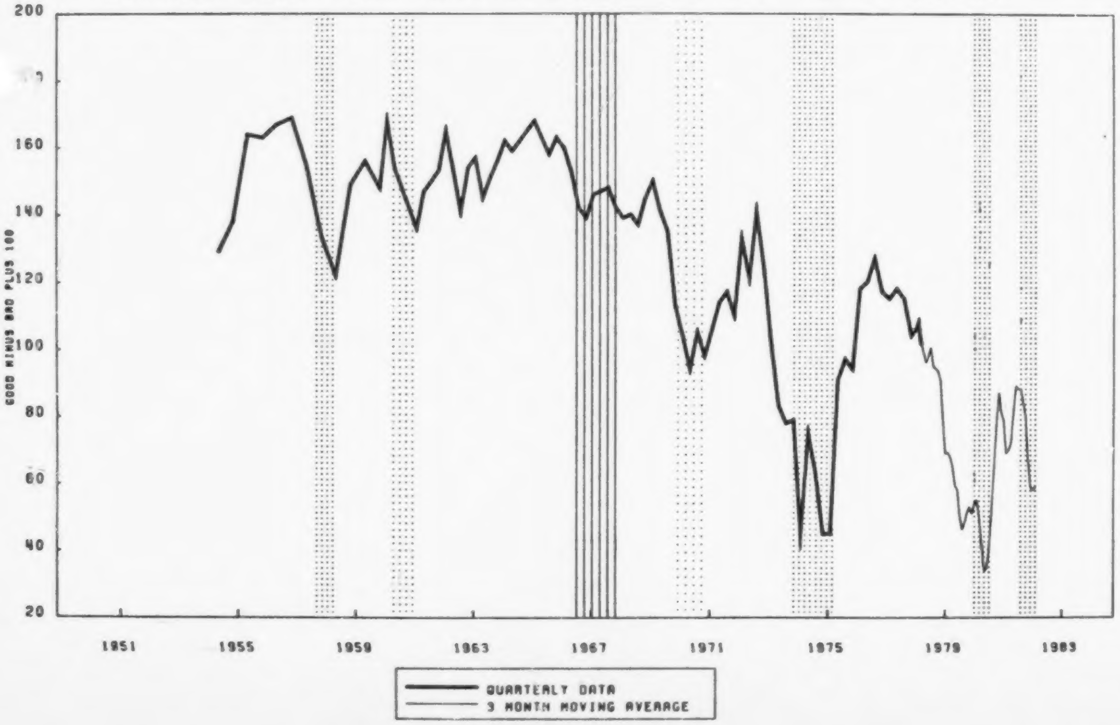


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

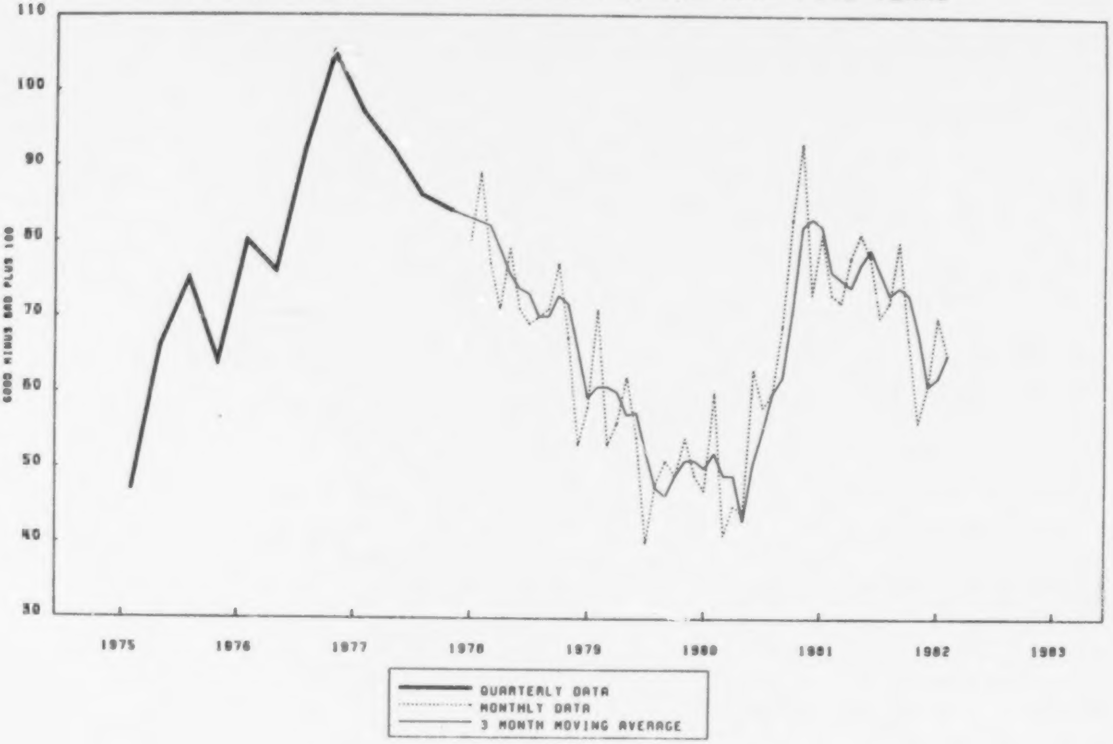
## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

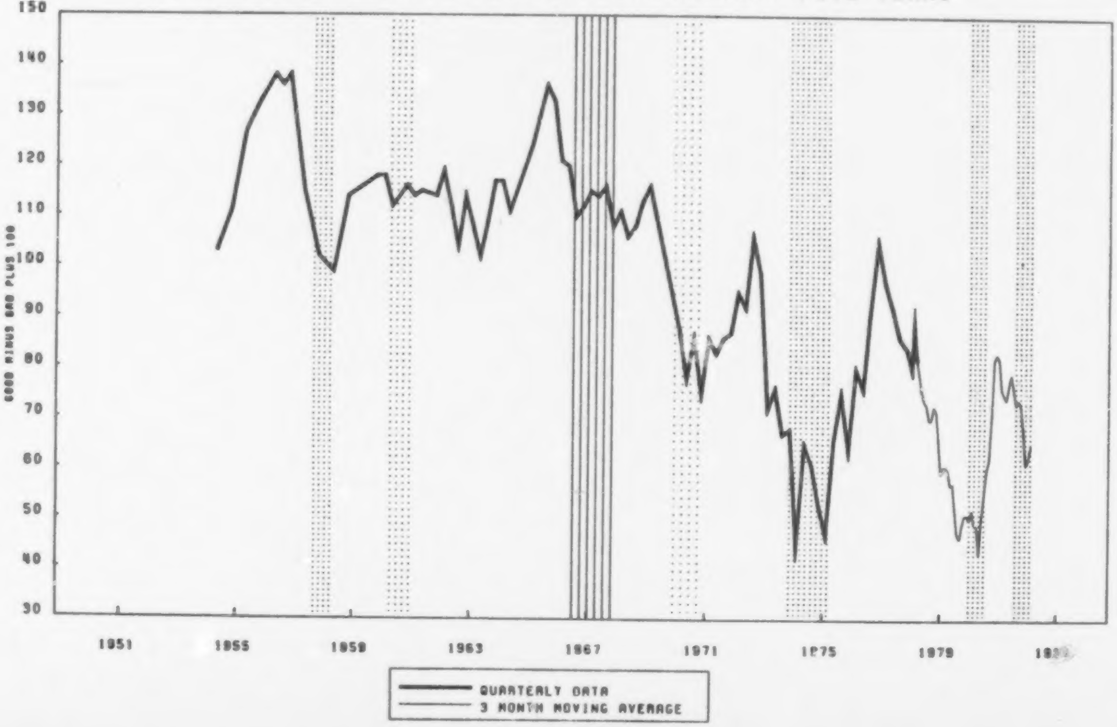
| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 26% | 27% | 36% | 41% | 41% | 35% | 40% | 33% | 25% | 21% | 23% | 30% | 23% |
| UNCERTAIN; GOOD & BAD | 2 | 3 | 3 | 3 | 2 | 2 | 4 | 3 | 3 | 4 | 2 | 1 | 2 |
| BAD TIMES | 62 | 59 | 53 | 49 | 50 | 54 | 48 | 53 | 57 | 67 | 69 | 64 | 67 |
| DON'T KNOW | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 6 | 8 | 6 | 4 | 3 | 4 |
| NOT ASCERTAINED | 4 | 5 | 2 | 2 | 2 | 4 | 3 | 5 | 7 | 2 | 2 | 2 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

## CHART 19 - RECENT CHANGES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## CHART 19 - HISTORICAL SERIES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 28% | 27% | 30% | 33% | 33% | 27% | 28% | 30% | 24% | 18% | 20% | 28% | 24% |
| UNCERTAIN; GOOD & BAD | 12 | 14 | 13 | 11 | 9 | 11 | 12 | 16 | 14 | 17 | 17 | 11 | 13 |
| BAD TIMES | 55 | 55 | 52 | 52 | 55 | 57 | 56 | 50 | 57 | 62 | 59 | 58 | 59 |
| NOT ASCERTAINED | 5 | 4 | 5 | 4 | 3 | 5 | 4 | 4 | 5 | 3 | 4 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we´ll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

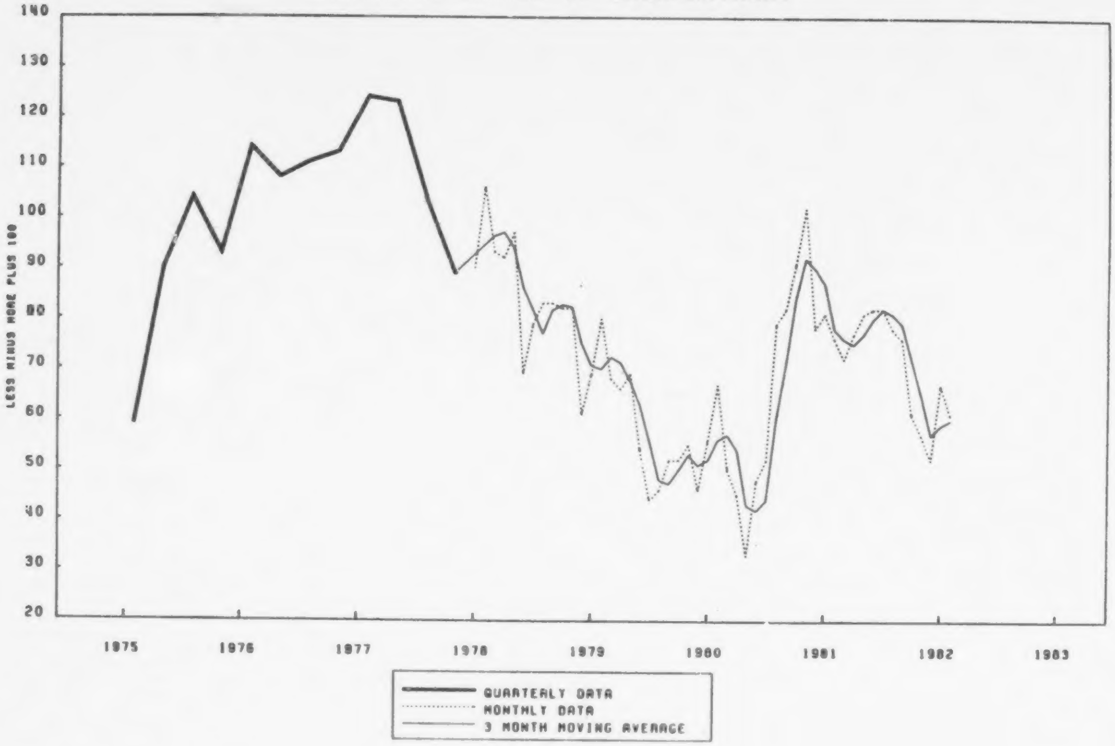
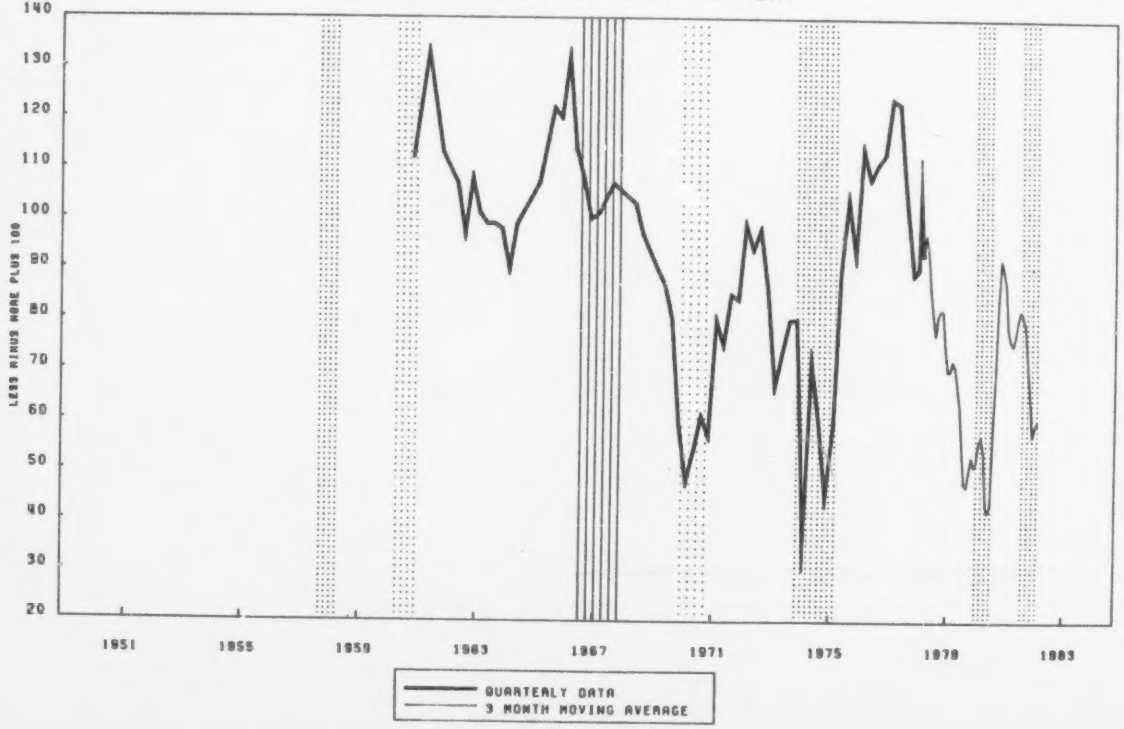


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 16% | 13% | 17% | 17% | 18% | 18% | 14% | 15% | 11% | 11% | 11% | 16% | 13% |
| SAME | 42 | 43 | 41 | 46 | 44 | 44 | 47 | 45 | 38 | 33 | 28 | 34 | 33 |
| MORE | 40 | 41 | 40 | 36 | 36 | 36 | 36 | 39 | 50 | 54 | 59 | 49 | 52 |
| DK,NA | 2 | 3 | 2 | 1 | 2 | 2 | 3 | 1 | 1 | 2 | 2 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

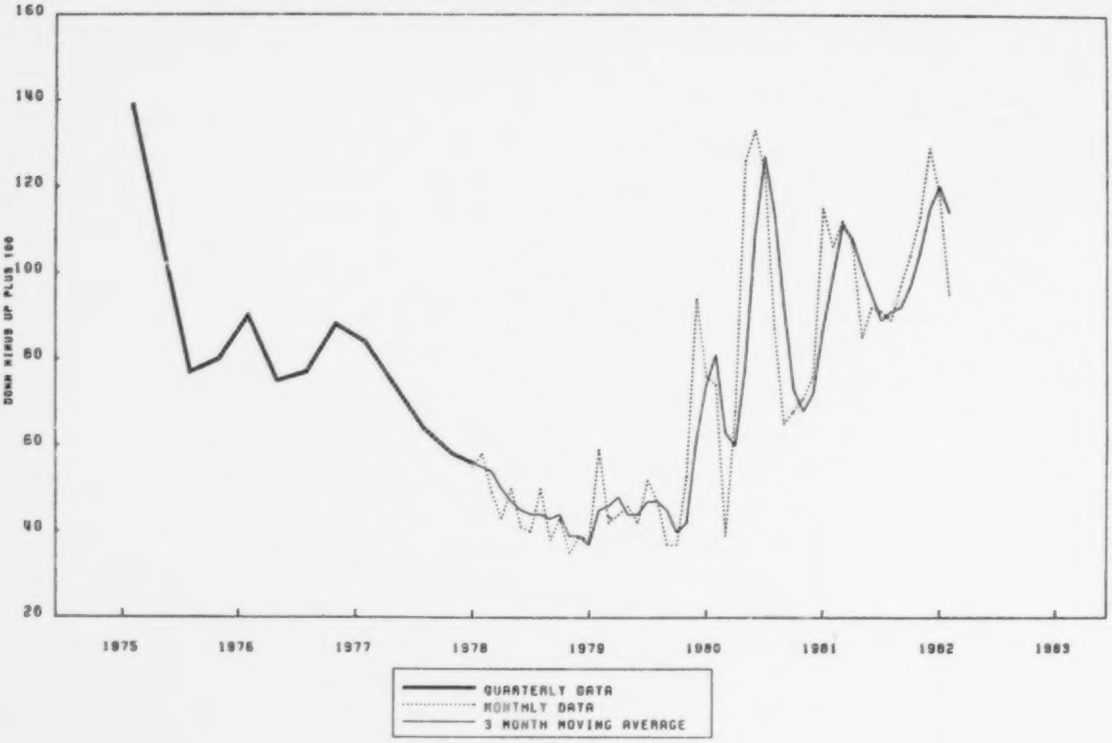
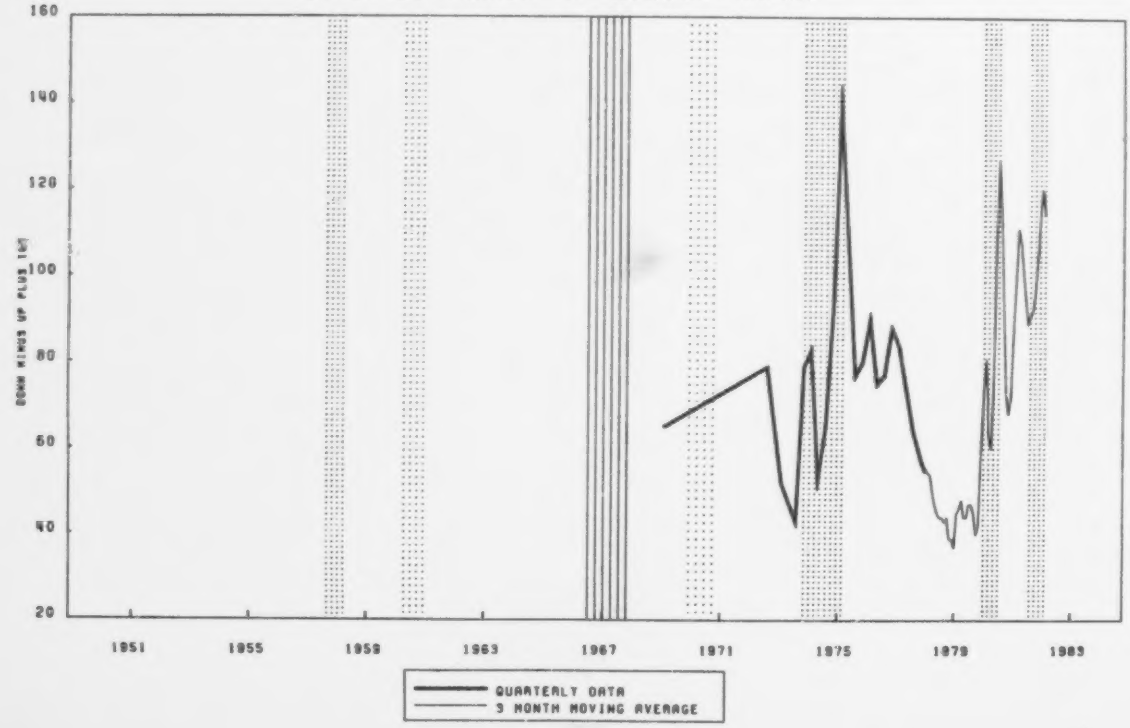


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES



## TABLE 21

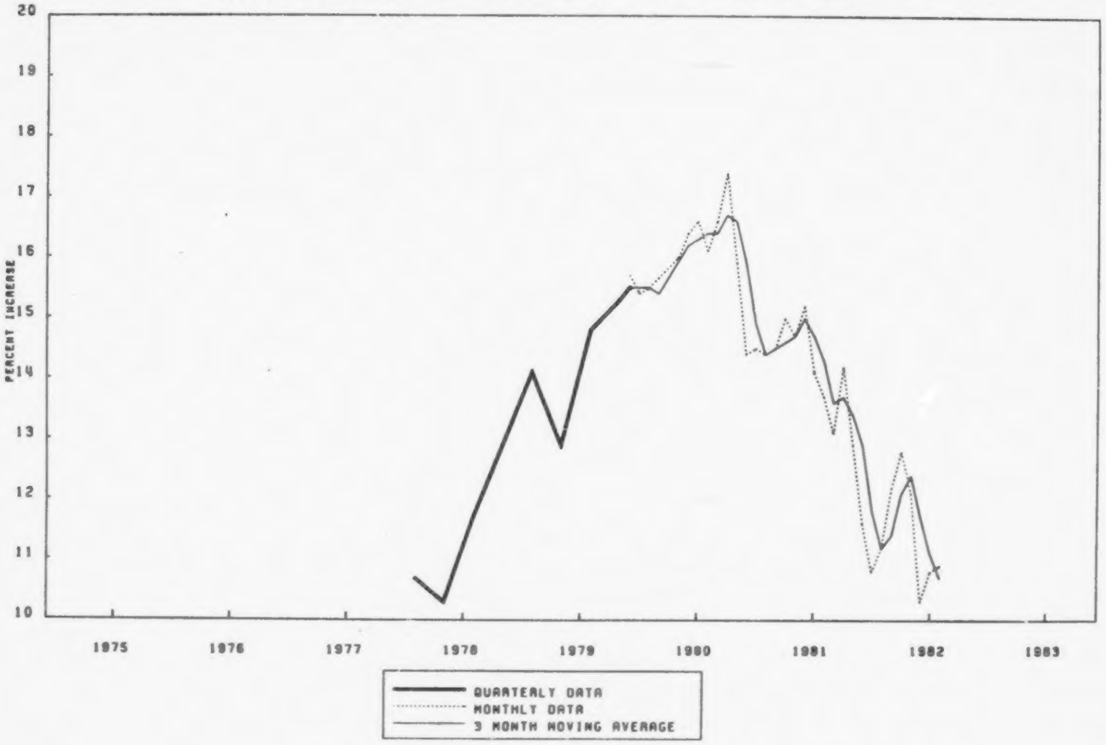
## EXPECTED CHANGE IN INTEREST RATES

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 31% | 29% | 31% | 41% | 38% | 38% | 37% | 33% | 31% | 29% | 21% | 25% | 34% |
| STAY THE SAME | 24 | 26 | 27 | 30 | 27 | 28 | 34 | 33 | 30 | 25 | 25 | 28 | 33 |
| GO DOWN | 37 | 41 | 38 | 26 | 30 | 29 | 26 | 30 | 35 | 42 | 50 | 43 | 29 |
| DK,NA | 8 | 4 | 4 | 3 | 5 | 5 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS



## TABLE 22

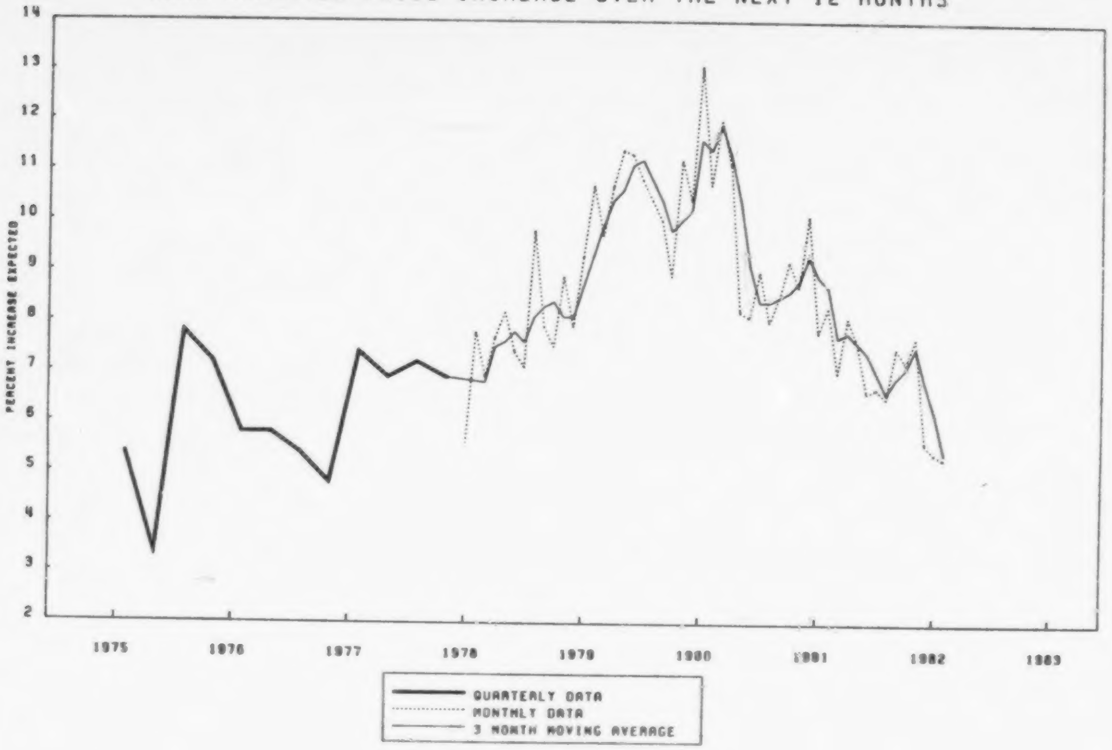
## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 2% | 4% | 4% | 5% | 9% | 10% | 11% | 10% | 8% | 7% | 10% | 11% | 13% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 3 | 2 | 4 | 2 | 4 | 3 | 4 | 3 | 4 | 2 | 3 | 4 | 4 |
| 3-4% | 4 | 4 | 5 | 7 | 6 | 6 | 7 | 4 | 5 | 6 | 6 | 5 | 5 |
| 5% | 8 | 7 | 6 | 8 | 8 | 8 | 8 | 9 | 8 | 10 | 11 | 11 | 10 |
| 6-9% | 8 | 10 | 12 | 10 | 10 | 10 | 10 | 14 | 11 | 12 | 14 | 16 | 13 |
| 10-14% | 32 | 29 | 26 | 31 | 25 | 23 | 24 | 24 | 23 | 24 | 25 | 23 | 23 |
| 15% or more | 25 | 25 | 30 | 27 | 22 | 20 | 21 | 23 | 24 | 22 | 16 | 20 | 19 |
| DK how much up | 17 | 18 | 13 | 10 | 16 | 20 | 15 | 12 | 17 | 16 | 15 | 10 | 13 |
| DK,NA | 1 | 1 | * | * | * | * | * | 1 | * | 1 | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE (%) | 13.7 | 13.1 | 14.2 | 12.9 | 11.6 | 10.8 | 11.2 | 12.2 | 12.8 | 12.1 | 10.3 | 10.8 | 10.9 |
| VARIANCE | 128 | 111 | 156 | 123 | 112 | 104 | 107 | 142 | 147 | 131 | 100 | 112 | 118 |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

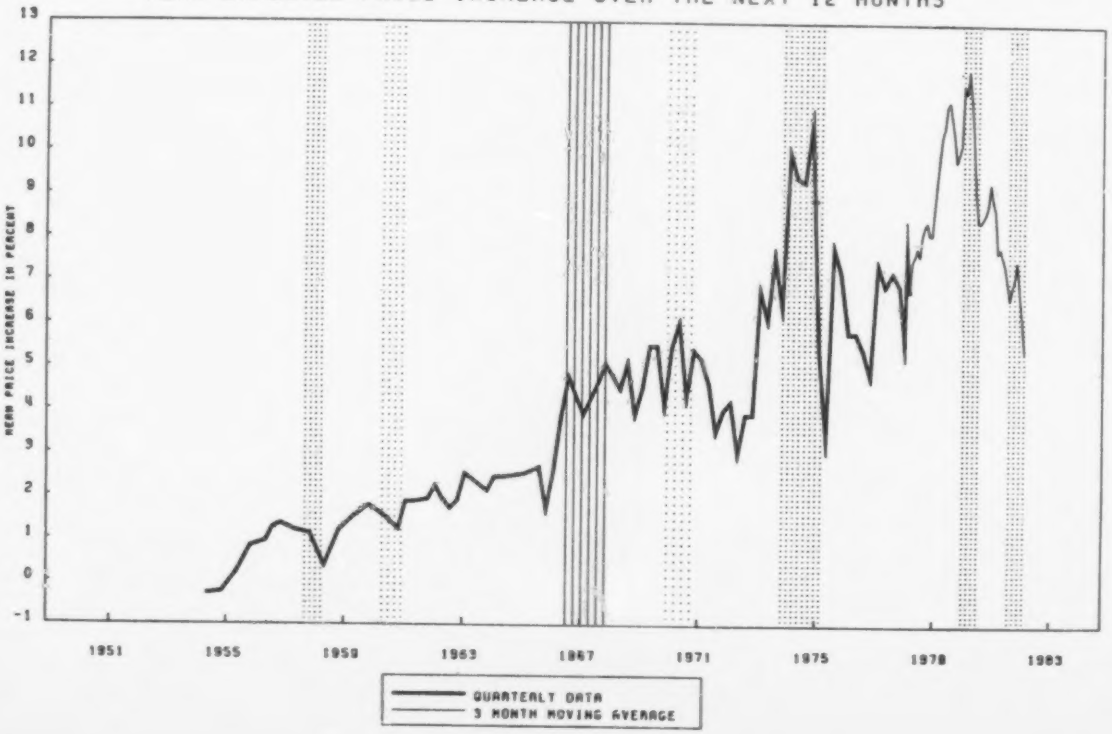
The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

## CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

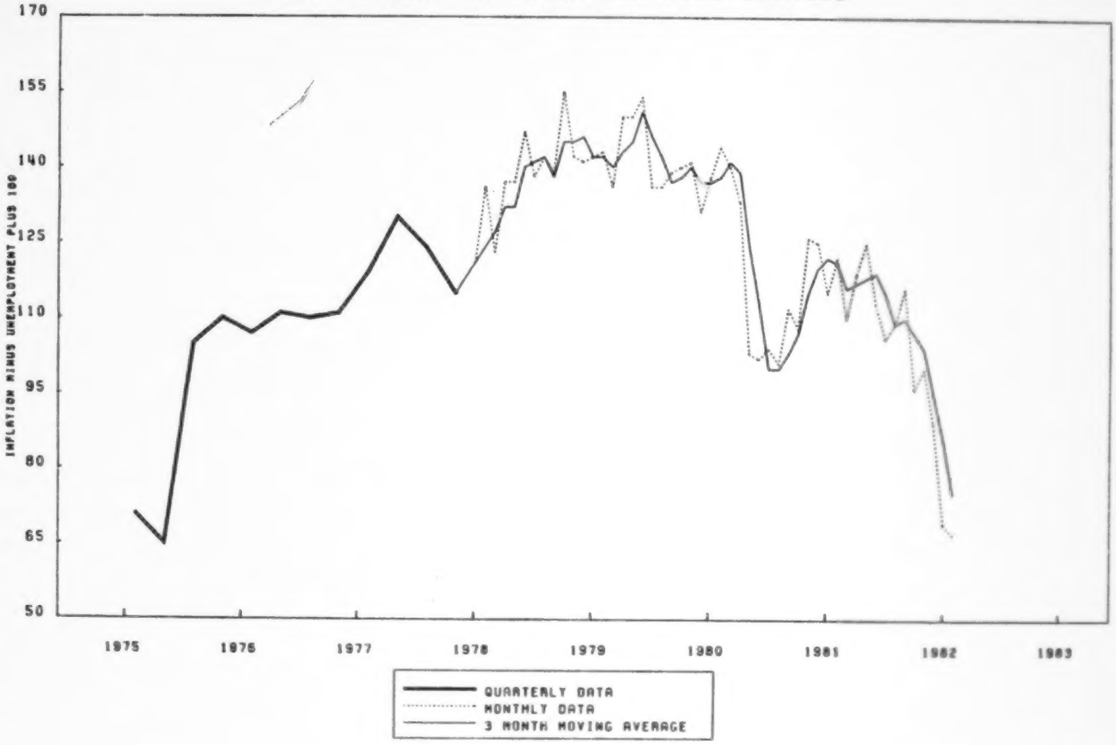
## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 18% | 26% | 27% | 25% | 31% | 31% | 28% | 30% | 27% | 26% | 35% | 36% | 38% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 5 | 2 | 4 | 2 | 4 | 2 | 6 | 4 | 5 | 4 | 3 | 5 | 3 |
| 3-4% | 9 | 8 | 7 | 8 | 6 | 6 | 6 | 8 | 6 | 5 | 7 | 8 | 6 |
| 5% | 9 | 11 | 9 | 10 | 8 | 10 | 12 | 9 | 12 | 11 | 12 | 12 | 12 |
| 6-9% | 12 | 11 | 9 | 13 | 12 | 15 | 11 | 11 | 13 | 11 | 13 | 11 | 12 |
| 10-14% | 23 | 20 | 20 | 22 | 21 | 16 | 16 | 17 | 16 | 21 | 13 | 13 | 14 |
| 15% or more | 12 | 9 | 14 | 11 | 10 | 10 | 10 | 13 | 11 | 10 | 8 | 8 | 7 |
| DK how much up | 10 | 11 | 8 | 7 | 7 | 10 | 8 | 7 | 8 | 10 | 7 | 5 | 7 |
| DK,NA | 2 | 2 | 2 | 2 | 1 | * | 3 | 1 | 2 | 2 | 2 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE (%) | 8.3 | 7.0 | 8.1 | 7.6 | 6.6 | 6.7 | 6.5 | 7.5 | 7.2 | 7.7 | 5.6 | 5.4 | 5.3 |
| VARIANCE | 74 | 57 | 97 | 79 | 57 | 71 | 60 | 91 | 68 | 84 | 57 | 51 | 48 |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

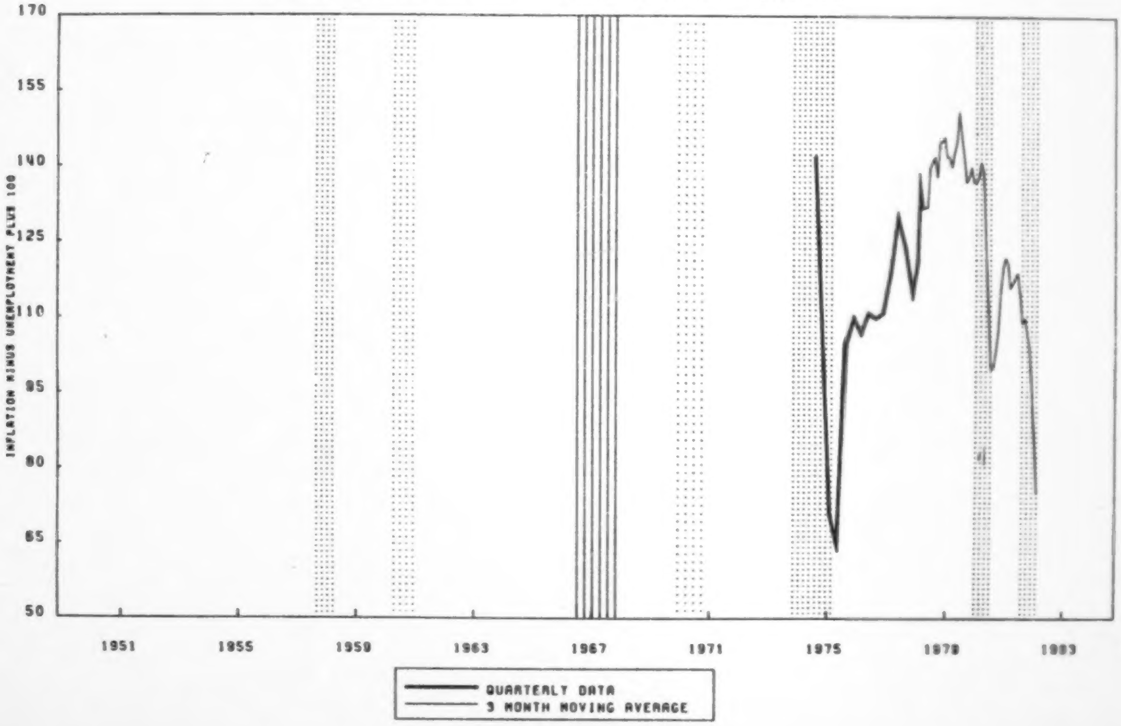
The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

## CHART 24 - RECENT CHANGES
## UNEMPLOYMENT OR INFLATION MORE SERIOUS



## CHART 24 - HISTORICAL SERIES
## UNEMPLOYMENT OR INFLATION MORE SERIOUS



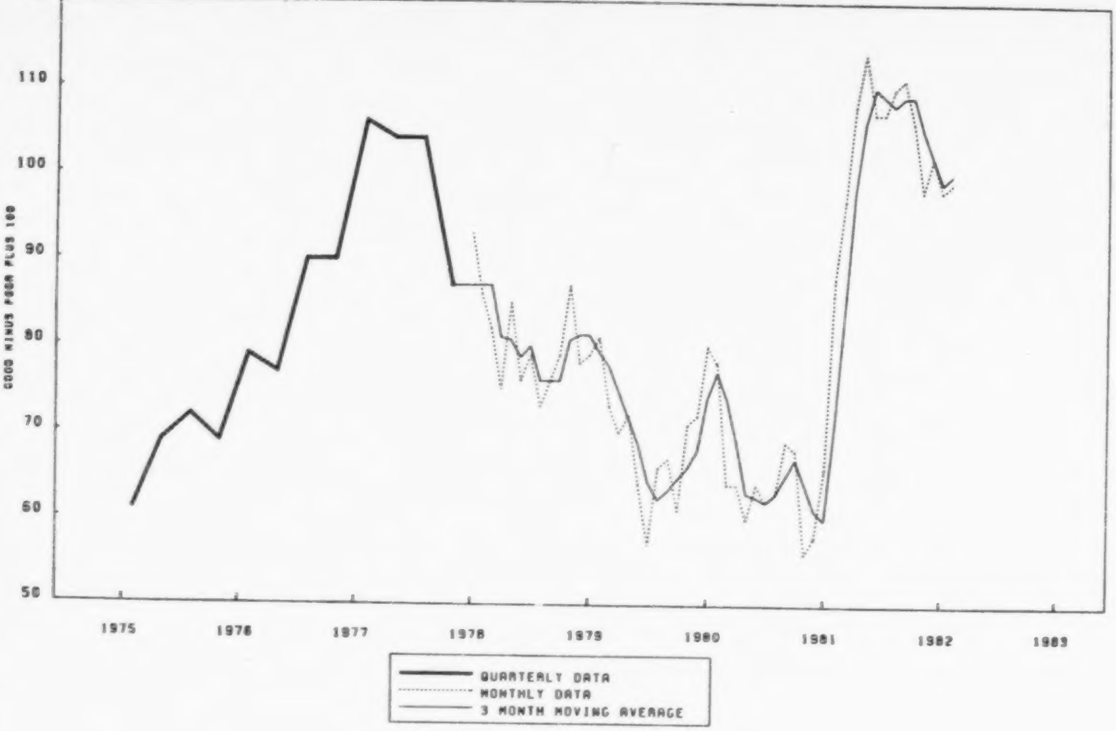
## TABLE 24

## UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

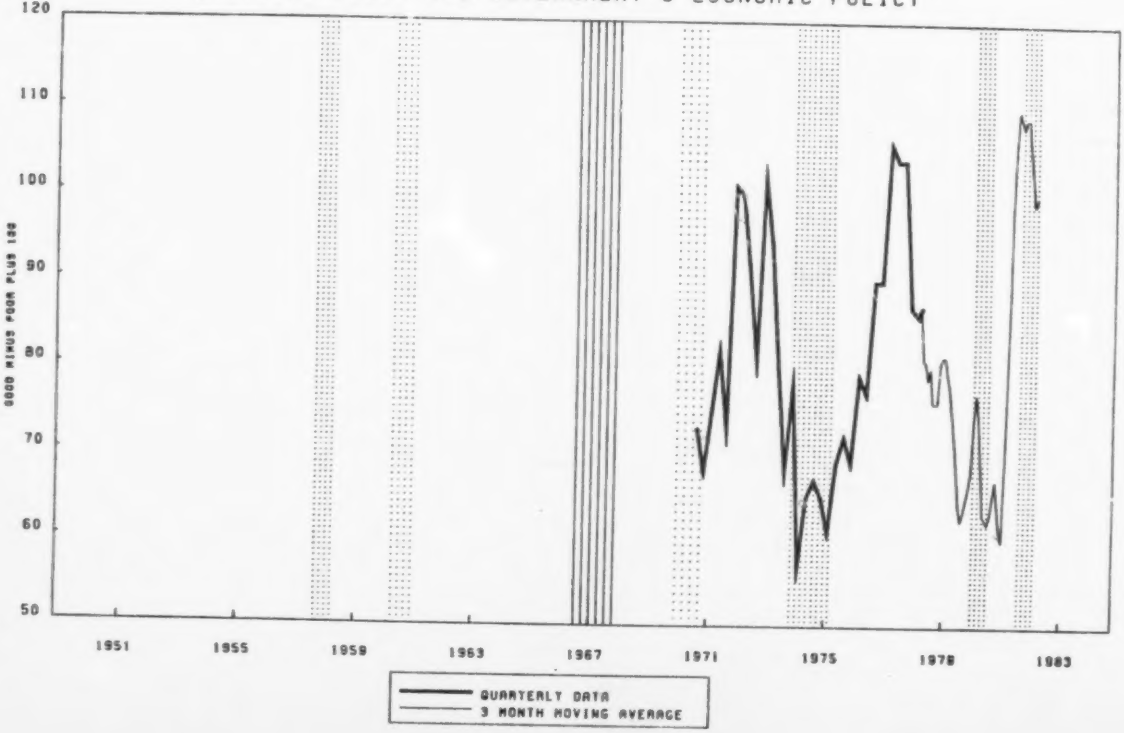
| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 34% | 39% | 35% | 33% | 36% | 42% | 39% | 37% | 45% | 43% | 49% | 60% | 59% |
| BOTH EQUALLY SERIOUS | 8 | 11 | 8 | 8 | 14 | 9 | 11 | 9 | 12 | 13 | 11 | 10 | 14 |
| INFLATION | 56 | 49 | 54 | 58 | 49 | 48 | 48 | 53 | 41 | 43 | 38 | 29 | 26 |
| DK,NA | 2 | 1 | 3 | 1 | 1 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

## CHART 25 - RECENT CHANGES
## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## CHART 25 - HISTORICAL SERIES
## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



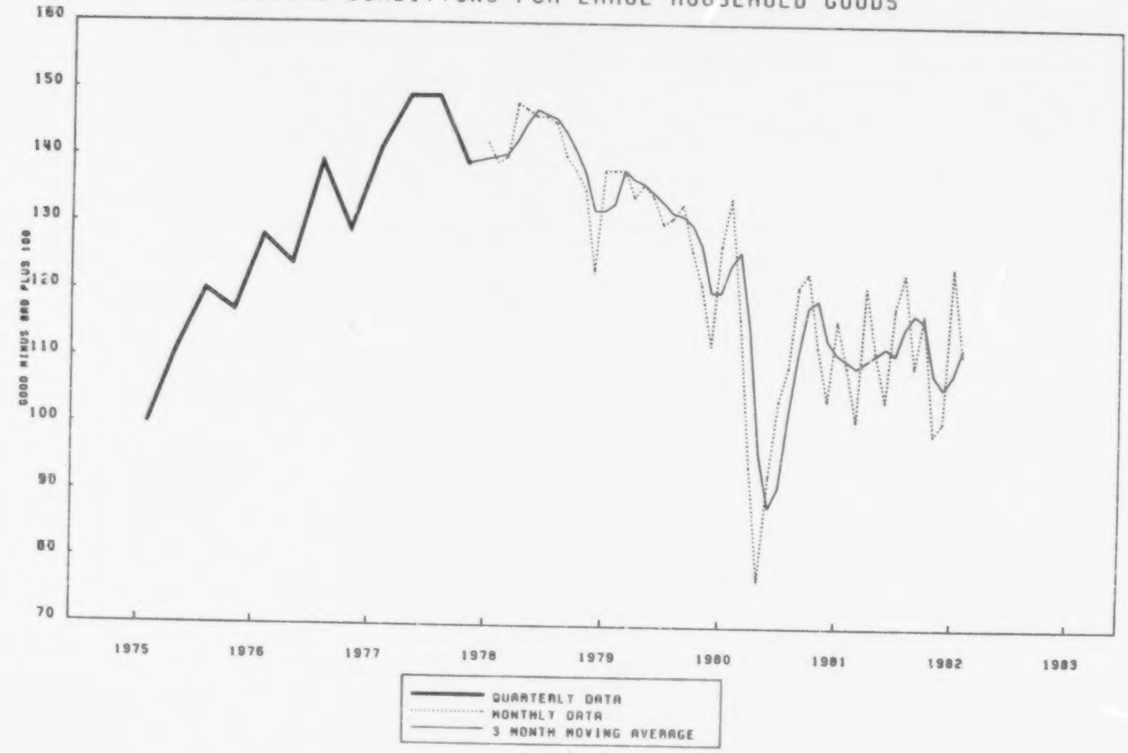
## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

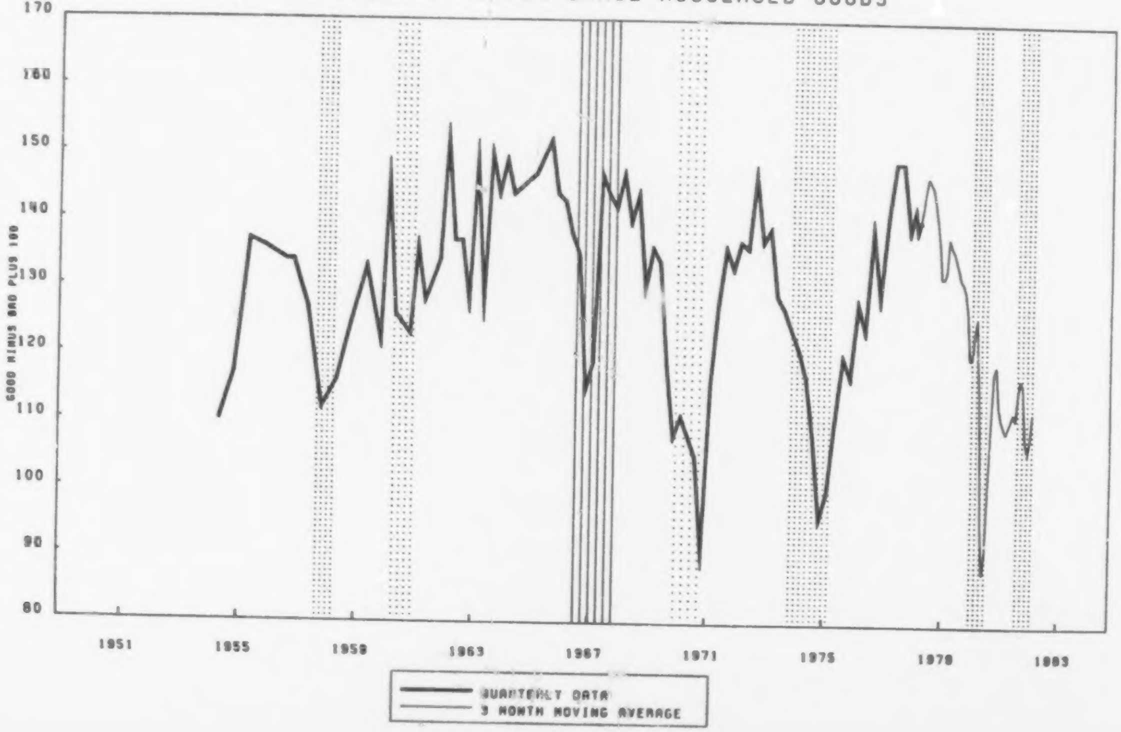
| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 19% | 22% | 28% | 30% | 25% | 28% | 31% | 31% | 31% | 23% | 26% | 25% | 27% |
| ONLY FAIR | 40 | 45 | 47 | 49 | 54 | 47 | 44 | 45 | 41 | 49 | 47 | 46 | 42 |
| A POOR JOB | 31 | 25 | 20 | 16 | 18 | 21 | 21 | 20 | 25 | 25 | 24 | 27 | 28 |
| DK,NA | 10 | 8 | 5 | 5 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

## CHART 26 - RECENT CHANGES
## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## CHART 26 - HISTORICAL SERIES
## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## TABLE 26.

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 47% | 43% | 54% | 50% | 44% | 53% | 55% | 44% | 52% | 43% | 44% | 57% | 48% |
| UNCERTAIN, DEPENDS | 15 | 15 | 13 | 11 | 16 | 12 | 13 | 21 | 13 | 13 | 13 | 10 | 15 |
| BAD TIME TO BUY | 38 | 42 | 33 | 39 | 40 | 35 | 32 | 35 | 35 | 44 | 43 | 33 | 37 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 23% | 22% | 21% | 16% | 20% | 24% | 24% | 20% | 21% | 19% | 26% | 32% | 30% |
| Prices won´t come down; are going higher | 24 | 23 | 31 | 30 | 23 | 27 | 26 | 21 | 25 | 20 | 21 | 22 | 18 |
| Interest rates low; credit is easy | 3 | 1 | 2 | 3 | 1 | 2 | 3 | 1 | 1 | 2 | 2 | 3 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 24 | 23 | 19 | 25 | 22 | 23 | 17 | 21 | 19 | 25 | 26 | 17 | 22 |
| Interest rates are high; credit is tight | 26 | 22 | 17 | 18 | 23 | 17 | 21 | 21 | 17 | 23 | 21 | 18 | 19 |
| Lack of purchasing power | 13 | 16 | 12 | 9 | 13 | 8 | 7 | 9 | 11 | 12 | 15 | 13 | 15 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

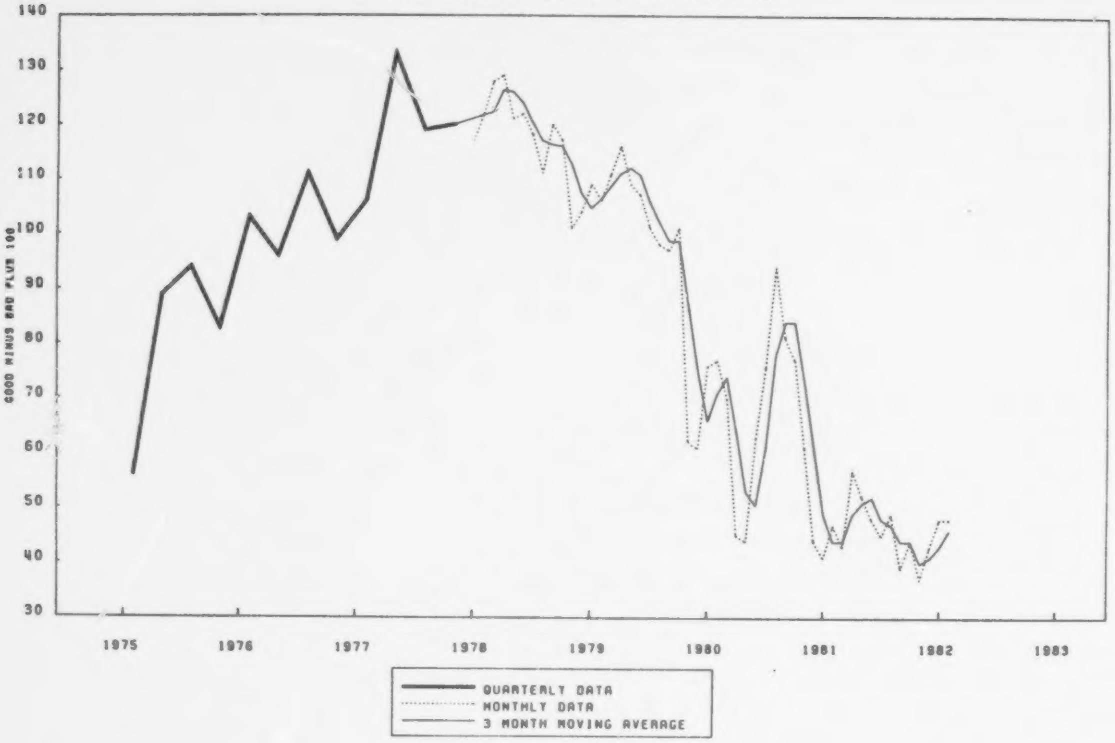
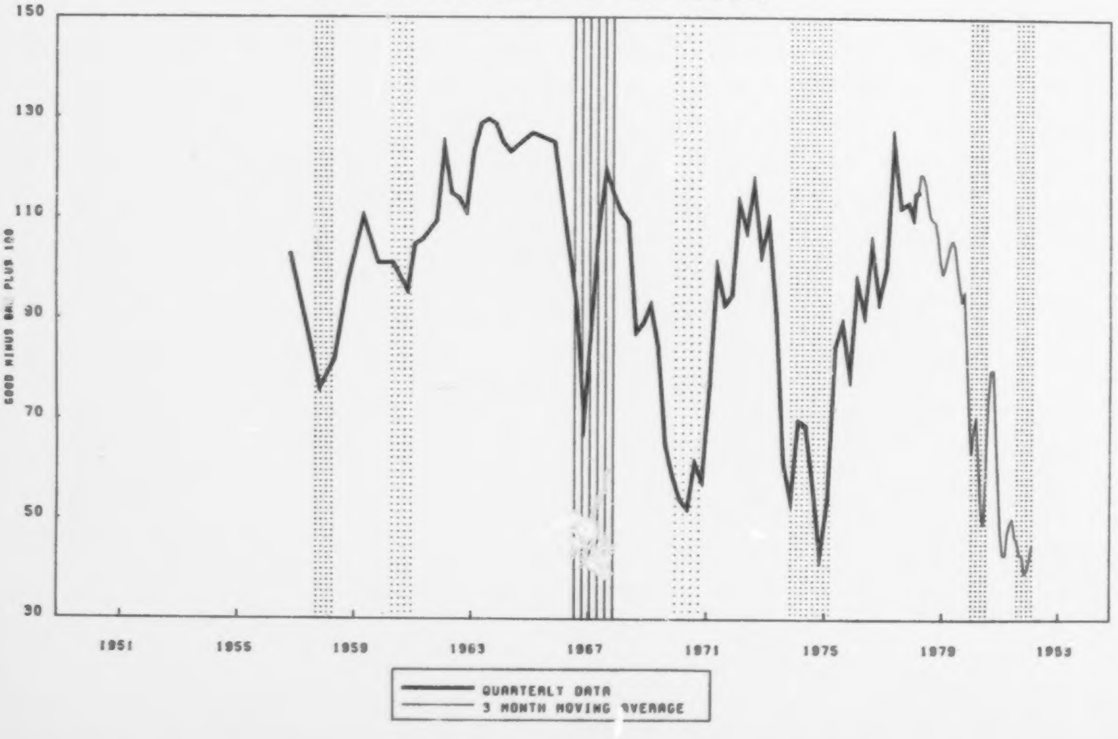


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



## TABLE 28

## BUYING CONDITIONS FOR HOUSES

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 21% | 20% | 26% | 24% | 20% | 20% | 21% | 15% | 18% | 16% | 19% | 21% | 21% |
| UNCERTAIN, DEPENDS | 5 | 3 | 5 | 4 | 8 | 5 | 7 | 9 | 8 | 5 | 5 | 6 | 6 |
| BAD TIME TO BUY | 74 | 77 | 69 | 72 | 72 | 75 | 72 | 76 | 74 | 79 | 76 | 73 | 73 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

## TABLE 29

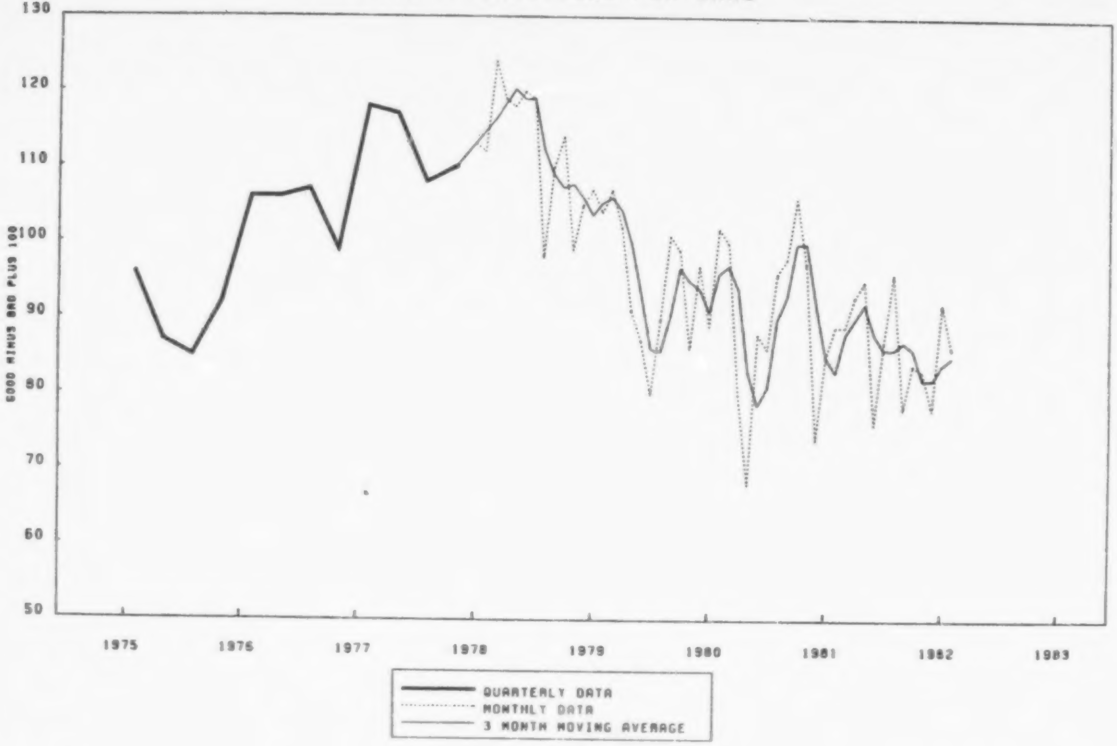
## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 5% | 4% | 5% | 5% | 5% | 5% | 6% | 5% | 7% | 7% | 12% | 13% | 11% |
| Prices won't come down; are going higher | 10 | 9 | 12 | 10 | 10 | 10 | 10 | 7 | 9 | 7 | 7 | 5 | 5 |
| Interest rates low; credit is easy | 7 | 5 | 9 | 7 | 5 | 6 | 8 | 6 | 4 | 4 | 6 | 8 | 7 |
| Good investment | 10 | 7 | 8 | 6 | 6 | 7 | 5 | 4 | 3 | 5 | 3 | 5 | 6 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 31 | 32 | 30 | 28 | 30 | 30 | 23 | 30 | 27 | 24 | 27 | 28 | 24 |
| Interest rates are high; credit is tight | 73 | 76 | 66 | 71 | 71 | 71 | 76 | 80 | 78 | 83 | 81 | 72 | 76 |
| Lack of purchasing power | 14 | 13 | 12 | 11 | 13 | 12 | 11 | 15 | 11 | 17 | 21 | 22 | 19 |

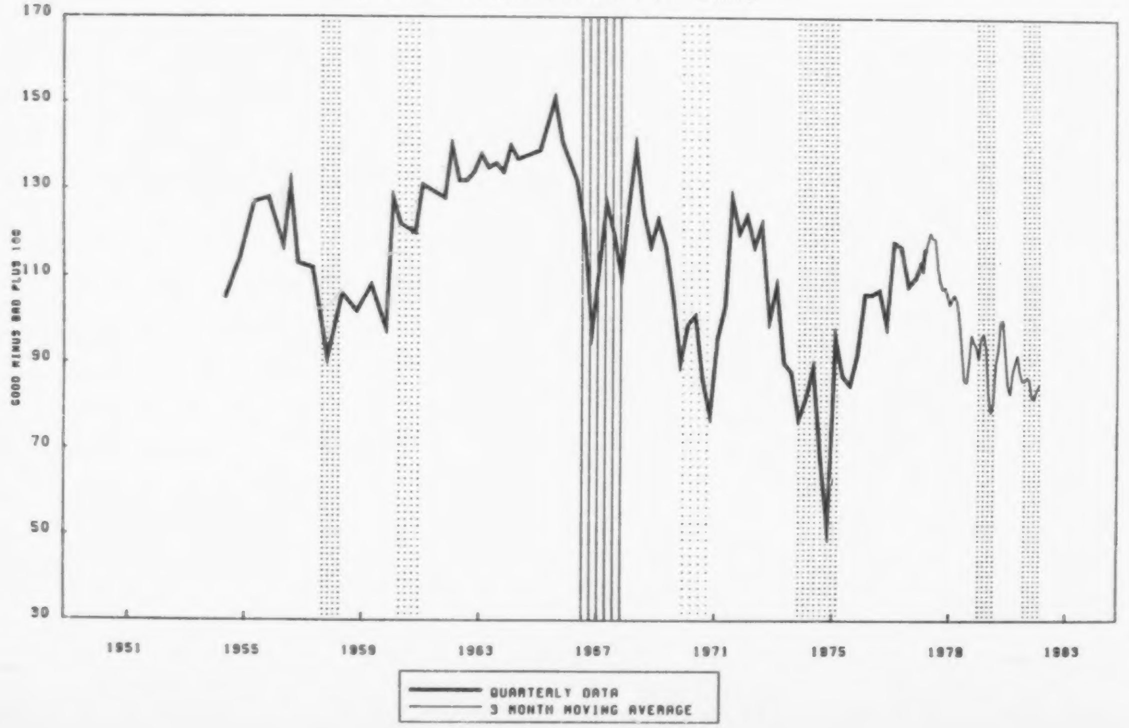
Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

## CHART 30 - RECENT CHANGES
## BUYING CONDITIONS FOR CARS



## CHART 30 - HISTORICAL SERIES
## BUYING CONDITIONS FOR CARS



## TABLE 30

## BUYING CONDITIONS FOR CARS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 39% | 39% | 42% | 44% | 33% | 40% | 43% | 34% | 37% | 37% | 34% | 41% | 37% |
| UNCERTAIN; DEPENDS | 11 | 11 | 9 | 7 | 10 | 7 | 10 | 10 | 10 | 9 | 10 | 10 | 12 |
| BAD TIME TO BUY | 50 | 50 | 49 | 49 | 57 | 53 | 47 | 56 | 53 | 54 | 56 | 49 | 51 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

## TABLE 31

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 22% | 30% | 25% | 23% | 14% | 17% | 19% | 14% | 20% | 21% | 22% | 29% | 33% |
| Prices won't come down; are going higher | 12 | 10 | 19 | 15 | 12 | 18 | 18 | 15 | 14 | 12 | 12 | 11 | 6 |
| Interest rates low; credit is easy | 3 | 2 | 3 | 4 | 2 | 3 | 5 | 6 | 4 | 5 | 5 | 6 | 3 |
| New fuel efficient models | 4 | 6 | 4 | 5 | 5 | 5 | 4 | 4 | 2 | 1 | 1 | 2 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 31 | 34 | 31 | 33 | 34 | 33 | 26 | 30 | 36 | 32 | 37 | 31 | 33 |
| Interest rates are high; credit is tight | 27 | 21 | 22 | 17 | 28 | 25 | 26 | 31 | 29 | 26 | 27 | 26 | 28 |
| Lack of purchasing power | 7 | 10 | 8 | 6 | 6 | 6 | 5 | 8 | 7 | 8 | 13 | 13 | 12 |
| Price of gas; shortages | 8 | 6 | 5 | 3 | 2 | 3 | 4 | 3 | 1 | 2 | 2 | 2 | 2 |
| Poor selection; quality | 9 | 9 | 8 | 10 | 9 | 11 | 8 | 9 | 8 | 10 | 9 | 8 | 9 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 16% | 14% | 15% | 17% | 17% | 14% | 19% | 17% | 14% | 19% | 19% | 16% | 17% |
| CHANCES ARE EVEN | 7 | 6 | 8 | 9 | 8 | 7 | 7 | 3 | 7 | 6 | 7 | 8 | 7 |
| PROBABLY WILL NOT BUY | 62 | 67 | 65 | 63 | 66 | 64 | 59 | 67 | 70 | 66 | 64 | 67 | 68 |
| DK,NA | 15 | 13 | 12 | 11 | 9 | 15 | 15 | 13 | 9 | 9 | 10 | 9 | 8 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 668 | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 23% | 20% | 23% | 26% | 25% | 21% | 26% | 20% | 21% | 25% | 26% | 24% | 24% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 10 | 9 | 11 | 11 | 10 | 9 | 12 | 9 | 10 | 11 | 11 | 9 | 11 |
| Buy used | 10 | 9 | 10 | 12 | 11 | 9 | 11 | 9 | 9 | 12 | 13 | 13 | 11 |
| Lease | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 1 | 1 | * | 1 | 1 | 1 |
| DK,NA | 2 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 1 | 1 | 5 | 5 | 2 | 5 | 3 | 2 | 4 | 2 | 1 | 5 | 3 |
| Next 4-6 months | 6 | 4 | 8 | 5 | 7 | 6 | 7 | 4 | 6 | 6 | 5 | 7 | 6 |
| Next 7-9 months | 7 | 5 | 5 | 7 | 7 | 2 | 3 | 5 | 3 | 8 | 10 | 6 | 7 |
| 10 months or more | 3 | 5 | 2 | 3 | 5 | 3 | 7 | 5 | 4 | 4 | 6 | 3 | 5 |
| DK,NA | 6 | 5 | 3 | 6 | 4 | 5 | 6 | 4 | 4 | 5 | 4 | 3 | 3 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

## TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | Feb. 1981 | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 62% | 67% | 65% | 63% | 66% | 64% | 59% | 67% | 70% | 66% | 64% | 67% | 68% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 33 | 34 | 39 | 37 | 37 | 35 | 34 | 33 | 38 | 34 | 33 | 36 | 37 |
| Would buy used | 28 | 28 | 24 | 25 | 27 | 27 | 23 | 31 | 29 | 29 | 29 | 30 | 28 |
| DK,NA | 1 | 5 | 2 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 2 | 1 | 3 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 5 | 6 | 9 | 6 | 5 | 4 | 7 | 5 | 5 | 7 | 6 | 7 | 5 |
| 2 years | 23 | 23 | 19 | 22 | 20 | 19 | 18 | 23 | 20 | 18 | 22 | 23 | 22 |
| 3 years | 9 | 9 | 9 | 10 | 11 | 11 | 10 | 10 | 11 | 8 | 9 | 12 | 11 |
| 4 years or more | 16 | 19 | 22 | 15 | 20 | 18 | 18 | 21 | 24 | 19 | 19 | 19 | 22 |
| Indefinite | 3 | 3 | 3 | 4 | 5 | 5 | 1 | 2 | 4 | 4 | 3 | 3 | 1 |
| DK,NA | 6 | 7 | 3 | 6 | 5 | 7 | 5 | 6 | 6 | 10 | 5 | 3 | 7 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

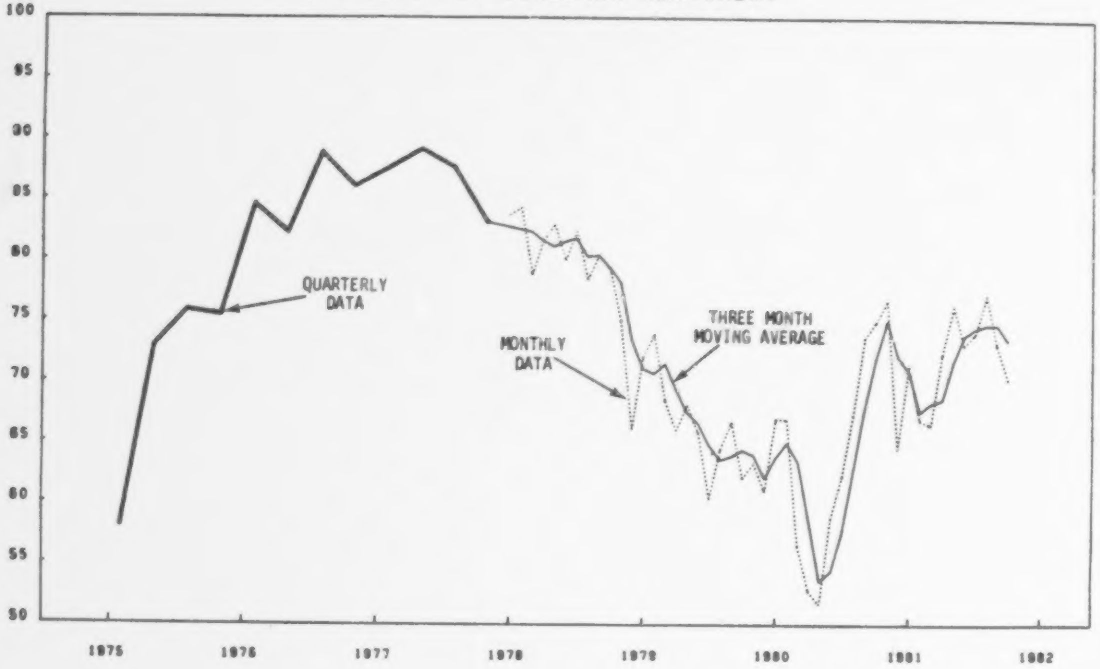
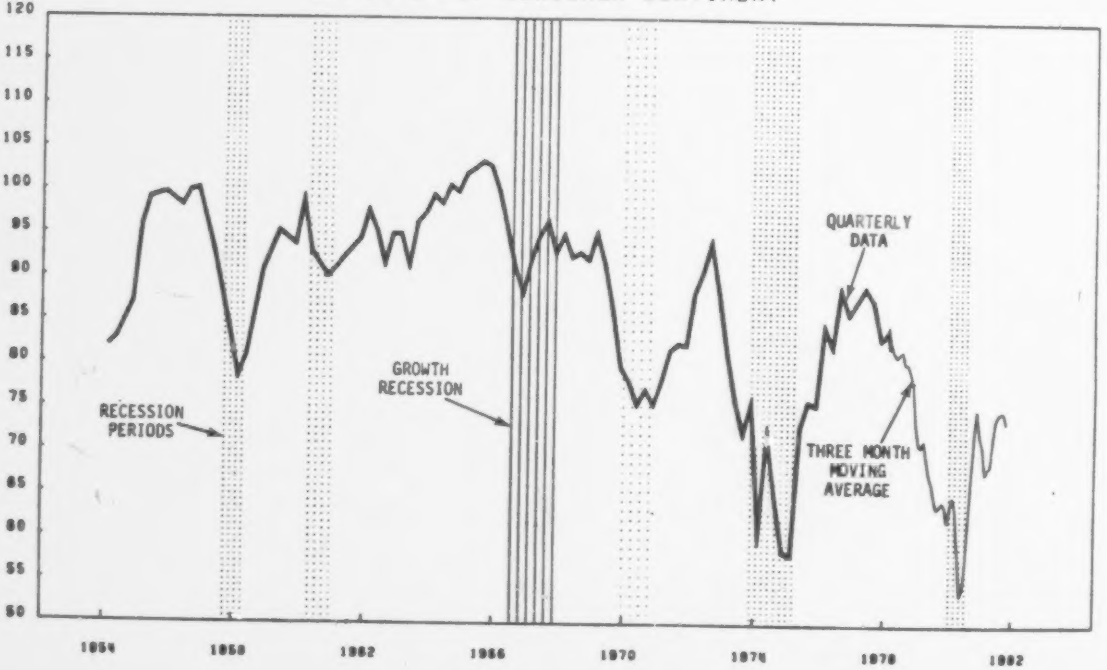


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

## TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 -

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

# SUMMARY

U7475-2

March 5, 1982

FEBRUARY 1982 MONTHLY SURVEY

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## IMPROVED BUYING CONDITIONS BLOCKED BY INTEREST RATES

** In the February 1982 survey, the Index of Consumer Sentiment was 66.5, down from 71.0 in January, and nearly equal to the 66.9 recorded one year ago in February 1981. The December 1981 to February 1982 Index readings are nearly identical to the year earlier readings.

** Among families with incomes of $25,000 or more, the Index declined to 72.8 in February from 77.8 in the January 1982 survey. Unlike the pattern of change in early 1981, the decline from January to February of 1982 was recorded across all income groups, not concentrated among lower income families as in the prior year.

** Unemployment dominated consumer concerns in the February 1982 survey: 40 percent cited news of spreading unemployment during the past three months, and 85 percent expected unemployment to remain at the same levels or to increase further during the next year. Inflation rates expected over the short (one year) and longer terms (5-10 years) were lower than at anytime during the past five years. Declines in inflation coupled with heightened concerns with spreading unemployment have led consumers to emphasize the importance of unemployment as the nation's primary economic problem.

** Although improvement in business conditions was expected in the February 1982 survey, the improvement was not expected to bring back good financial times anytime soon. Two thirds of all respondents expected bad times financially in the year ahead, and 59 percent expected bad times financially during the next 5 years.

** The February 1982 survey recorded a sharp reversal in interest rate expectations. In the February 1982 survey increases in interest rates were more frequently expected than declines, whereas the opposite was true during the preceding three months. Among all families, the proportion that expected interest rate declines fell from 43 percent in January to 29 percent in February 1982, while the proportion that expected interest rate increases rose to 34 percent from 25 percent.

** Attitudes toward buying conditions for houses and cars remained at the same low level in February 1982 as in February 1981. For both the housing and car markets, the continued concern with high interest rates and tight credit has blocked any overall improvement in buying attitudes due to more frequent mentions of lower housing prices and auto rebates.

* * *

The February 1982 survey gives no indication that sales of houses, vehicles, and large household durables will post sustained and cumulative increases beginning by mid-1982. Personal finances have shown modest improvement due to lower rates of inflation, but consumers remain unwilling to incur new debt or draw on past savings to finance purchases. Postponement of purchases has continued unabated in the February survey, with one-third of all households reporting that they had postponed purchases due to high interest rates. Fears of spreading unemployment have also made consumers more hesitant to incur new debt or to use accumulated saving. Lower interest rates, as well as renewed growth in employment, are needed before sustained increases in major consumer purchases can be expected.

## Unemployment Dominant Concern

In the February 1982 survey, for the third consecutive month eight in ten consumers thought business conditions had worsened. News about spreading unemployment was heard and recalled by 40 percent of all respondents in the February survey, rising from just 17 percent six months earlier. Among all families, 52 percent expected unemployment to increase further during the year ahead, and an additional 33 percent expected unemployment to remain at the same high current levels. Only 13 percent in the February 1982 survey expected unemployment to decline in the year ahead.

While concerns with unemployment have heightened, the expected rate of inflation declined to the lowest level in more than five years. The rate of inflation during the next twelve months was expected to average just 5.3% in the February 1982 survey, down from 8.3% recorded a year earlier. In February 1981 just 21 percent of all families expected double digit inflation during the year ahead, down from 35 percent in February 1981. The proportion that expected no overall price increases rose to 38 percent in February 1982, up from 18 percent a year earlier.

Inflation rates expected over the longer term have also declined, but not as much as short-term price expectations (see Table A). Consumers in February 1982 expected the inflation rate to average 6.4% during the next five to ten years, down from 7.2% expected in February 1981. In February 1980 both short and long-term price expectations were nearly equal, but have since then diverged. Long-term price expectations declined by a relatively greater amount from February 1980 to February 1981, while short-term price expectations declined relatively more from February 1981 to the February 1982 survey. Consequently, in early 1981 when expected short-term rates were higher than the expected long-term ones, consumers implicitly thus expected future declines. By 1982, however, short-term rates fell below the expected long-term average these declines are expected to be temporary.

The heightened concern with rising unemployment coupled with lower price expectations has led consumers to view unemployment rather than inflation as the more serious economic problem facing the nation. In the February 1982 survey, twice as many consumers singled out unemployment rather than inflation (59 to 26 percent), nearly the opposite of one year earlier when consumers viewed inflation, not unemployment, as the more serious economic hardship by the margin of 56 to 34 percent. The priority accorded is now greater than at any time since the 1974-75 recession lowpoint.

## TABLE A

## PRICE EXPECTATIONS

| Expected Annual Increase in Prices | Feb. 1980 | Feb. 1981 | Feb. 1982 |
|---|---|---|---|
| One year | 10.7% | 8.3% | 5.3% |
| 5-10 years | 10.5% | 7.2% | 6.4% |

---

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?"

"By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

"What about the outlook for prices over the next 5 to 10 years? Do you think prices will be higher, about the same, or lower, 5 to 10 years from now?" and

"About what percent per year do you think prices will go (up/down) on the average during the next 5 to 10 years?"

Overall evaluations of government economic policies to combat both inflation and unemployment remained unchanged in the February 1982 survey. From April through Oct. 1981, the proportion that rated government economic policy favorably exceeded the proportion that gave unfavorable ratings, but since then the proportions have been nearly equal. In the February 1982 survey, 28 percent thought the government was doing a poor job, compared with 27 percent that gave a good rating to government economic policy. Despite the small declines from October 1981 to February 1982, confidence in government economic policy remains at relatively high levels.

### Business Prospects Dim

Changes expected in short-term future business conditions were less optimistic in early 1982 than one year earlier, although still on balance favorable. In the February 1982 survey, improvement rather than deterioration in business conditions was expected by the narrow margin of 34 to 28 percent, a substantial decline from the two-to-one margin of 34 to 16 percent recorded in February 1981. Thus, the proportion that expected business conditions to improve was 34 percent in both the February 1981 and February 1982 surveys, while the proportion that expected worsening business conditions rose from 16 to 28 percent. When asked why they thought business conditions would improve or worsen, fewer respondents made favorable references to government economic policies in February 1982 than one year earlier (19 percent, down from 32 percent), and more frequently made unfavorable references to government policies (12 percent, up from 7 percent).

Although the balance of opinion points toward improvement in the economy during the year ahead, good financial times are not expected to return. Almost three times the number of families expected bad times financially as good times (67 versus 23 percent). The entire improvement recorded in mid 1981 has now been reversed, with the February 1982 and February 1982 readings nearly equal.

## Lower Inflation Improves Personal Finances

Although more consumers in the February 1982 survey reported being worse off financially than a year earlier, the margin was half that of a year earlier. Among all families, 30 percent reported being better off financially and 39 percent reported being worse off in the February 1982 survey. One year ago, reports of worsening finances exceeded improvements by 20 percentage points (27 versus 47 percent). When asked to explain how their personal financial situation had changed, the improvement recorded during the past year can be traced to lower inflation rates. In the February 1982 survey, 33 percent reported a worsening financial situation due to price increases, down from 47 percent in February 1981.

Lower expected rates of inflation have also led to more optimistic expectations for the future. In the February 1982 survey, 30 percent of all families expected their financial situation to improve during the year ahead, compared with 18 percent that expected deterioration. Expected increases in nominal family incomes coupled with declines in inflation have led to more favorable real income expectations in early 1982 than at any time during the previous four years.

Changes in personal finances over the longer term were also more favorable in the February 1982 survey than one year earlier. Among all families, 53 percent said that their financial situation had improved over five years earlier, up from 46 percent in February 1981. The proportion of families that reported a worsened financial situation fell to 34 in February from 42 percent one year earlier. Changes expected during the next five years in their personal financial situations were more favorable in the February 1982 survey than in the last four years. Overall, 47 percent of all families expected an improved financial situation during the next five years, up from 44 percent in February 1981, and 37 percent in February 1979. Just 17 percent expected their personal financial situations to worsen during the next five years.

Although improvement in the financial balance sheets of consumers (due mainly to the reduction of debt) has given consumers the ability to make new purchases, despite higher real income expectations consumers are not yet willing to do so. The improved personal financial outlook has not translated into improved buying attitudes, due to consumers' reluctance to incur new debt or draw upon accumulated savings to finance major purchases (see January 1982 report).

TABLE B

LONG TERM TRENDS IN PERSONAL FINANCES

| Financial Situation Compared With 5 Years Ago | Feb. 1979 | Feb. 1980 | Feb. 1981 | Feb. 1982 |
|---|---|---|---|---|
| Better | 51% | 51% | 46% | 53% |
| Same | 15 | 12 | 10 | 12 |
| Worse | 33 | 35 | 42 | 34 |
| Don't know | 1 | 2 | 2 | 1 |
| Total | 100% | 100% | 100% | 100% |
| **Financial Situation Expected in 5 Years** | | | | |
| Better | 37% | 39% | 44% | 47% |
| Same | 34 | 29 | 27 | 30 |
| Worse | 21 | 26 | 20 | 17 |
| Don't know | 8 | 6 | 9 | 6 |
| Total | 100% | 100% | 100% | 100% |

---

The questions were: "Now thinking back 5 years, would you say you (and your family living there) are better off or worse off financially now than you were 5 years ago?" and

"And 5 years from now, do you expect that you (and your family living there) will be better off financially, worse off, or just about the same as now?"

## Market Conditions

Attitudes toward buying conditions have remained at very unfavorable levels throughout the past year. Attitudes toward buying conditions for houses and cars remained at the same low levels in February 1982 as in February 1981: nearly three in four rated house buying conditions unfavorably, and half of all respondents rated buying conditions for cars unfavorably. When respondents were asked to explain their views on buying conditions, the dominant role of high interest rates and tight credit conditions was apparent. From the February 1981 to the February 1982 survey, no diminuition of the impact of high interest rates was recorded--76 percent mentioning high interest rates with regard to housing, and 28 percent mentioning high interest rates with regard to vehicle purchases. Unfavorable attitudes toward the housing market were maintained despite more frequent reports of lower prices (11 percent, up from 5 percent a year earlier), and less frequent complaints about high housing prices (24 percent, down from 31 percent). Attitudes toward the market conditions for cars also showed a similar pattern: during the past year mentions of price discounts and rebates increased (33 percent, up from 22 percent), while high car prices were mentioned as frequently in February 1982 as a year earlier (33 percent compared with 31 percent). For both the housing and car markets, the continued concern with high interest rates has thus blocked any overall improvement in buying attitudes due to lower prices.

One-third of all households in the February 1982 survey reported postponement of purchases because of high interest rates, unchanged from the January reading (see Tables C and D). The most frequently postponed purchases were houses (11 percent), followed closely by vehicles (10 percent), and household durables (10 percent). Compared with November 1981, fewer families reported postponing vehicles and housing, while postponement of household durables and other goods have increased.

TABLE C

INTEREST RATE EFFECT ON CONSUMER PURCHASES
DURING THE LAST SIX MONTHS

| | June 1980 | October 1981 | November 1981 | January 1982 | February 1982 |
|---|---|---|---|---|---|
| Postponed Purchases:* | 15% | 30% | 37% | 33% | 33% |
| Vehicles | 5 | 11 | 15 | 12 | 10 |
| House, home repairs | 2 | 11 | 15 | 10 | 11 |
| Household durables | 7 | 8 | 8 | 10 | 10 |
| Other | 1 | 4 | 5 | 6 | 7 |
| Did not postpone purchase | 84 | 67 | 62 | 66 | 66 |
| Don't know, not ascertained | 1 | 3 | 1 | 1 | 1 |
| Total | 100% | 100% | 100% | 100% | 100% |

---

*Items add to more than total, due to multiple mentions.

See Table D for question wording.

### TABLE D

### INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | February 1982 Vehicles | February 1982 House, Real Estate | February 1982 Household Durables |
|---|---|---|---|---|---|---|---|
| Postponed Purchases | | | | | | | |
| All households | 30% | 37% | 33% | 33% | 10% | 11% | 10% |
| Interest rate that would have been charged on postponed purchase | | | | | | | |
| Median | 17.3% | 17.6% | 17.5% | 17.8% | 17.7% | 17.2% | 18.3% |
| Highest interest willing to pay to make purchases | | | | | | | |
| Median | 11.8% | 12.0% | 12.0% | 12.0% | 11.9% | 11.8% | 12.4% |
| Difference between interest rate charged and willing to pay | | | | | | | |
| Median | 4.6% | 5.0% | 4.9% | 5.3% | 5.1% | 5.1% | 5.8% |

The questions asked were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October 1981 to February 1982: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

## Note on Seasonality

Recent empirical tests show little evidence of a stable seasonal factor underlying trends in the Index of Consumer Sentiment. Two types of tests were made. First, the quarterly data series over the 1961-81 period, and a shorter time span (1970-81), yields no evidence of a stable seasonal factor. For this test the three monthly surveys within each quarter were averaged. A second test involved the examination of the monthly observations, which were begun in January 1978. Using the Census X-11 adjustment method, this test did offer weak evidence of a seasonal factor. Although the overall seasonal effects were small, the direction of its influence acts to overestimate change from December to January, and underestimate change from February to March. Given the limited number of monthly observations, and the low levels of consumer confidence which dominated the past several years, the evidence of seasonality in the monthly series cannot be considered conclusive.

* * *

The February 1982 survey included 700 interviews, conducted between January 27 and February 24, 1982.

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# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

MARCH 1982

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

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# TABLES AND CHARTS

## MARCH 1982

The March 1982 survey is the 162nd in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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| 2 | INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS |
| 3 | COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT |
| 4 | CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO |
| 5 | SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION |
| 6 | EXPECTED CHANGE IN FINANCIAL SITUATION |
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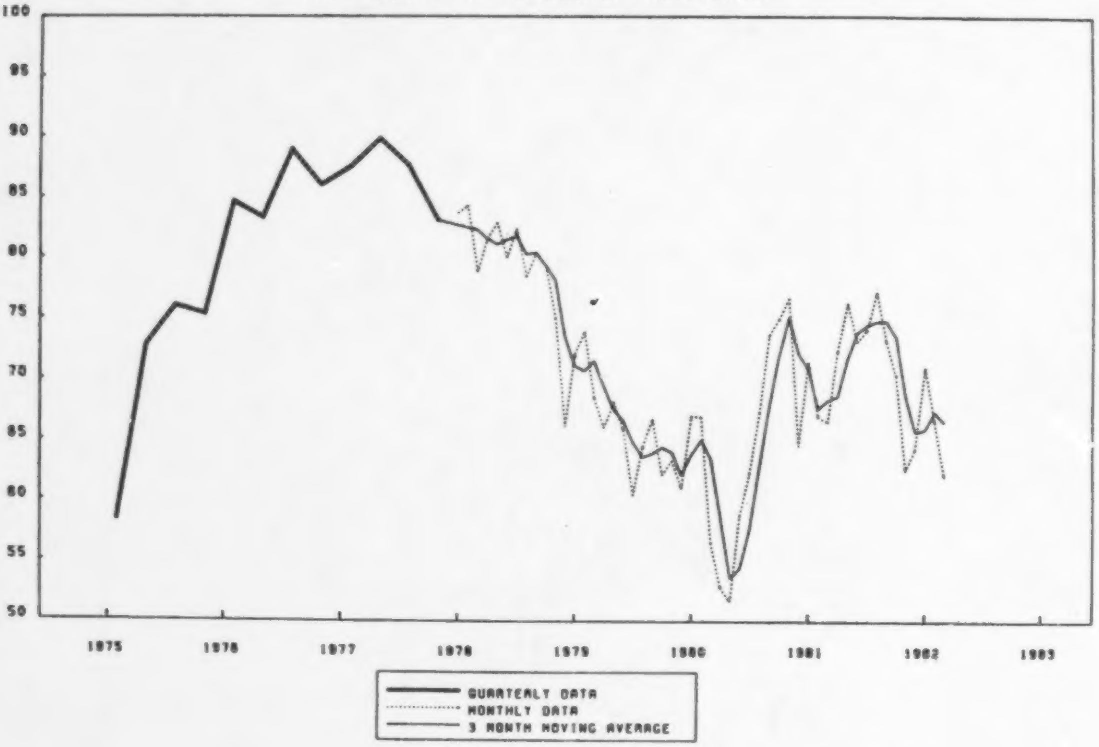
## CHART 1 - RECENT CHANGES
## THE INDEX OF CONSUMER SENTIMENT



## CHART 1 - HISTORICAL SERIES
## THE INDEX OF CONSUMER SENTIMENT

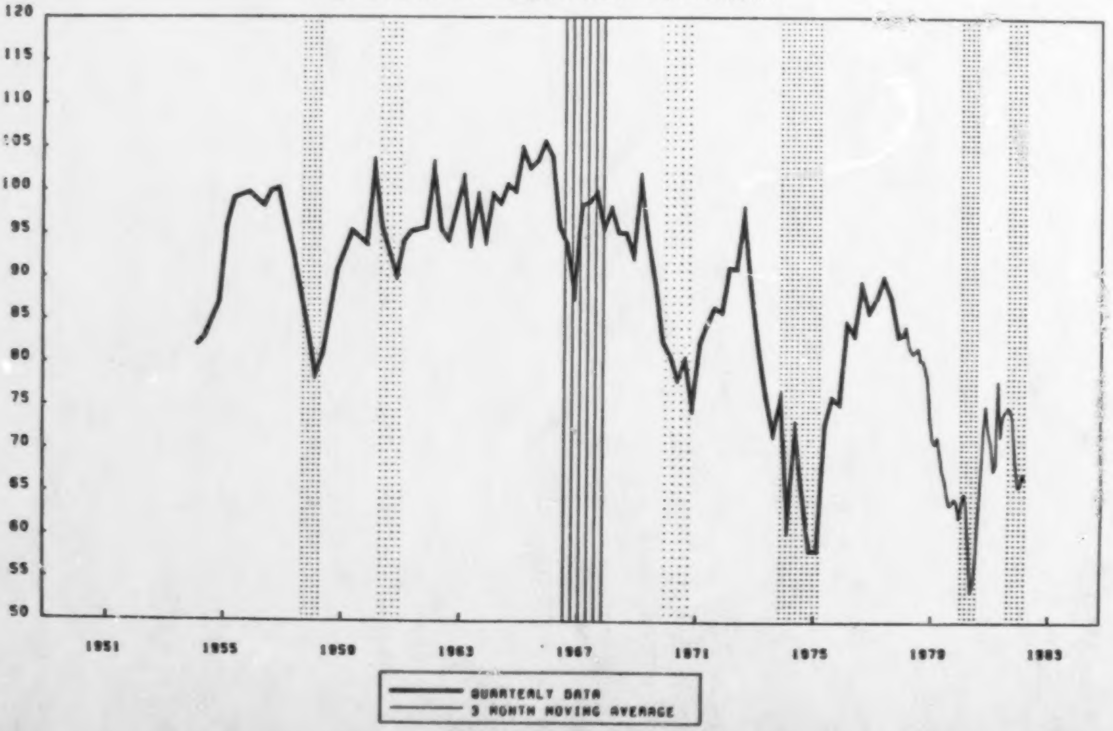


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|---|
| March | 1979 | 68.4 | 75.3 | 73.6 |
| April | 1979 | 66.0 | 73.7 | 77.0 |
| May | 1979 | 68.1 | 73.5 | 76.7 |
| June | 1979 | 65.8 | 71.8 | 72.9 |
| July | 1979 | 60.4 | 67.2 | 68.0 |
| August | 1979 | 64.5 | 70.0 | 71.3 |
| September | 1979 | 66.7 | 71.6 | 74.4 |
| October | 1979 | 62.1 | 65.6 | 65.5 |
| November | 1979 | 63.3 | 68.3 | 69.9 |
| December | 1979 | 61.0 | 66.2 | 73.2 |
| January | 1980 | 67.0 | 70.8 | 70.9 |
| February | 1980 | 66.9 | 70.8 | 73.5 |
| March | 1980 | 56.5 | 62.3 | 64.5 |
| April | 1980 | 52.7 | 54.2 | 57.2 |
| May | 1980 | 51.7 | 55.2 | 53.3 |
| June | 1980 | 58.7 | 61.6 | 63.7 |
| July | 1980 | 62.3 | 67.6 | 67.3 |
| August | 1980 | 67.3 | 70.9 | 74.2 |
| September | 1980 | 73.7 | 78.1 | 78.5 |
| October | 1980 | 75.0 | 76.3 | 78.7 |
| November | 1980 | 76.7 | 82.7 | 87.5 |
| December | 1980 | 64.5 | 66.9 | 68.6 |
| January | 1981 | 71.4 | 74.8 | 77.1 |
| February | 1981 | 66.9 | 74.2 | 77.5 |
| March | 1981 | 66.5 | 72.1 | 73.7 |
| April | 1981 | 72.4 | 77.1 | 78.0 |
| May | 1981 | 76.3 | 80.8 | 85.0 |
| June | 1981 | 73.1 | 81.2 | 82.9 |
| July | 1981 | 74.1 | 80.8 | 82.1 |
| August | 1981 | 77.2 | 82.7 | 85.0 |
| September | 1981 | 73.1 | 75.2 | 73.3 |
| October | 1981 | 70.3 | 74.5 | 77.9 |
| November | 1981 | 62.5 | 67.2 | 66.3 |
| December | 1981 | 64.3 | 71.0 | 71.1 |
| January | 1982 | 71.0 | 77.9 | 77.8 |
| February | 1982 | 66.5 | 71.5 | 72.8 |
| March | 1982 | 62.0 | 67.0 | 67.9 |

CHART 2A
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

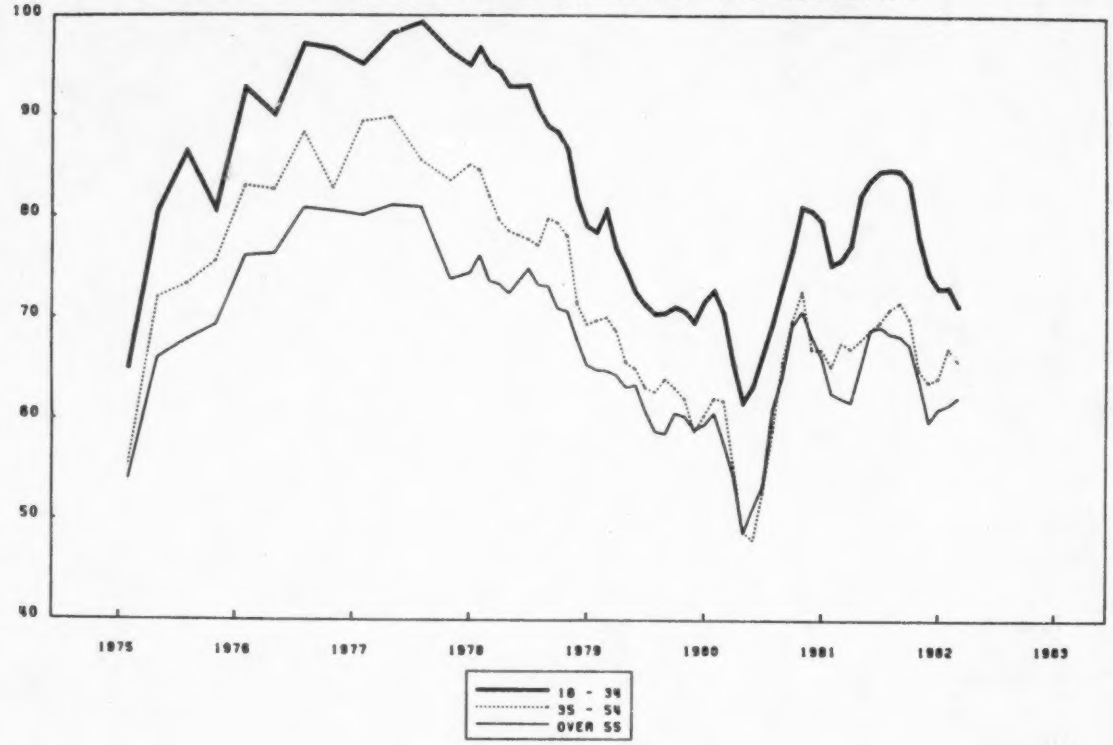
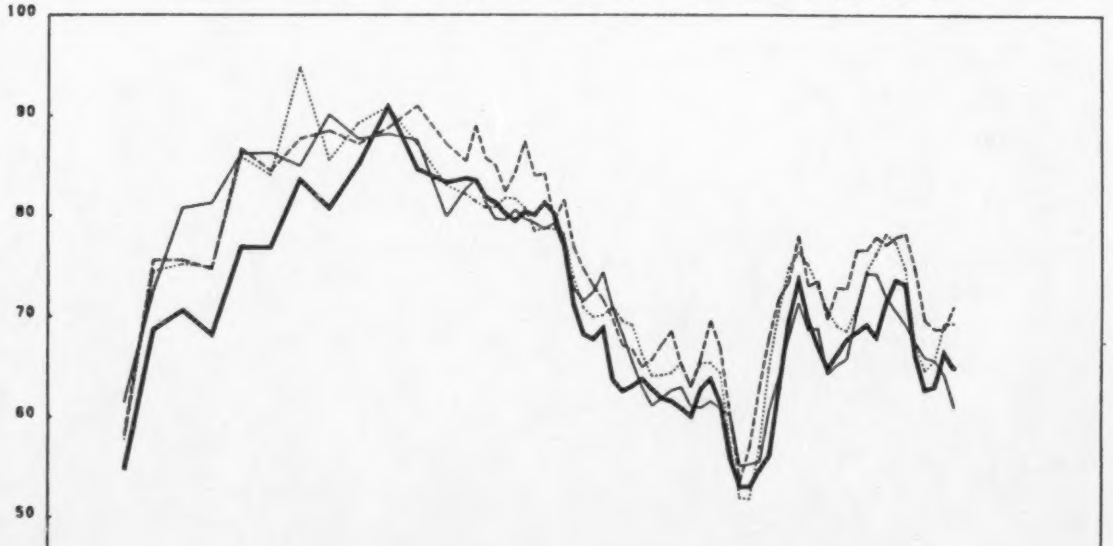


CHART 2B
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS



## TABLE 2

## INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|
| DATE OF SURVEY | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| March 1979 | 65.5 | 71.3 | 68.0 | 67.4 | 77.9 | 64.7 | 63.3 |
| April 1979 | 58.1 | 65.6 | 71.9 | 64.8 | 71.5 | 66.4 | 61.8 |
| May 1979 | 64.9 | 68.2 | 69.1 | 69.6 | 74.6 | 65.3 | 64.1 |
| June 1979 | 66.8 | 63.3 | 66.8 | 66.3 | 71.2 | 62.9 | 63.9 |
| July 1979 | 60.4 | 58.0 | 63.3 | 59.7 | 67.7 | 60.9 | 54.1 |
| August 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June 1980 | 54.4 | 53.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |
| January 1982 | 68.8 | 67.3 | 72.0 | 76.2 | 76.6 | 67.4 | 68.5 |
| February 1982 | 65.9 | 60.6 | 71.8 | 68.8 | 71.5 | 68.3 | 59.0 |
| March 1982 | 60.5 | 55.8 | 64.7 | 68.2 | 65.5 | 61.4 | 58.8 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

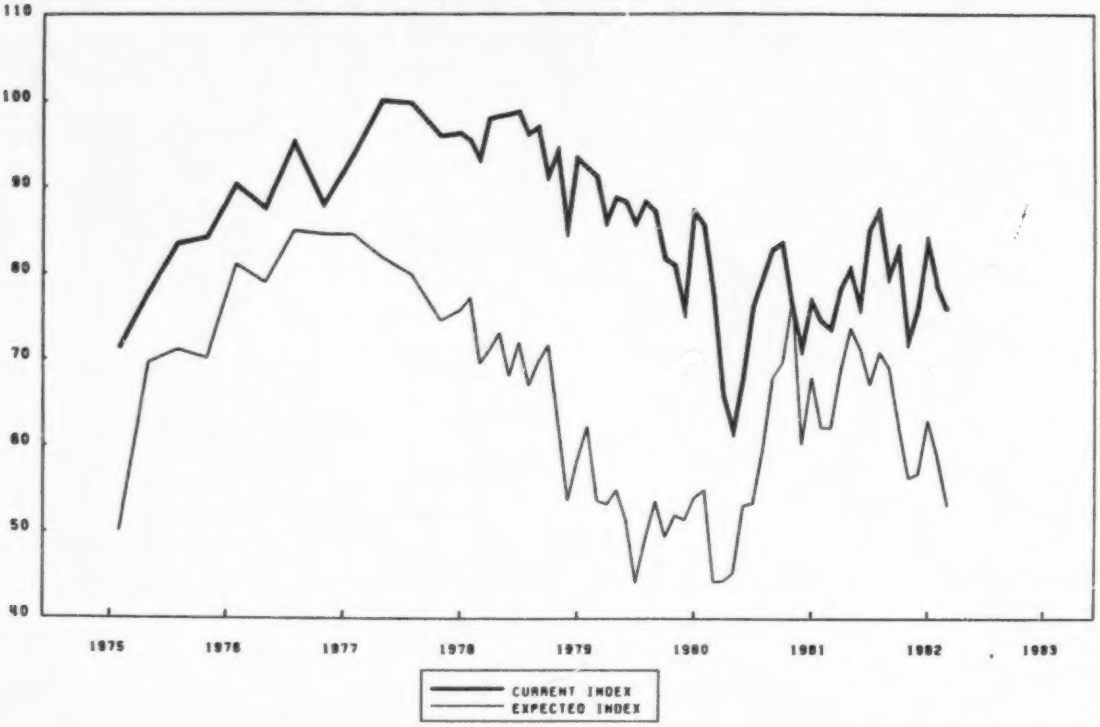
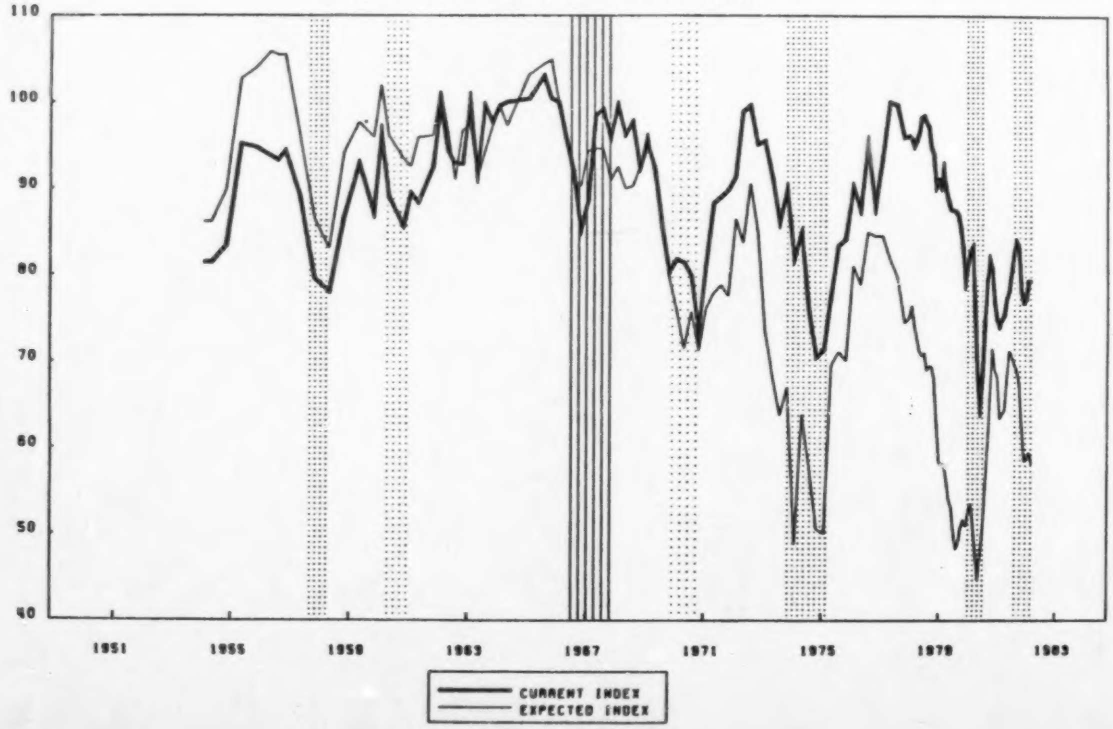


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



## TABLE 3

## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | | | |
| | Current | Expected | 12 months | 5 years | Buying conds. | Current Index | Expected Index |
| DATE OF SURVEY | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| March 1979 | 96 | 99 | 57 | 53 | 138 | 91.2 | 53.7 |
| April 1979 | 85 | 90 | 63 | 55 | 134 | 85.9 | 53.3 |
| May 1979 | 91 | 95 | 58 | 62 | 136 | 88.7 | 54.9 |
| June 1979 | 92 | 91 | 54 | 55 | 134 | 88.2 | 51.4 |
| July 1979 | 90 | 92 | 39 | 40 | 130 | 85.7 | 44.2 |
| August 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |
| January 1982 | 92 | 115 | 66 | 70 | 124 | 83.5 | 62.9 |
| February 1982 | 91 | 112 | 56 | 65 | 111 | 78.6 | 58.7 |
| March 1982 | 89 | 106 | 44 | 60 | 106 | 75.9 | 53.1 |

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

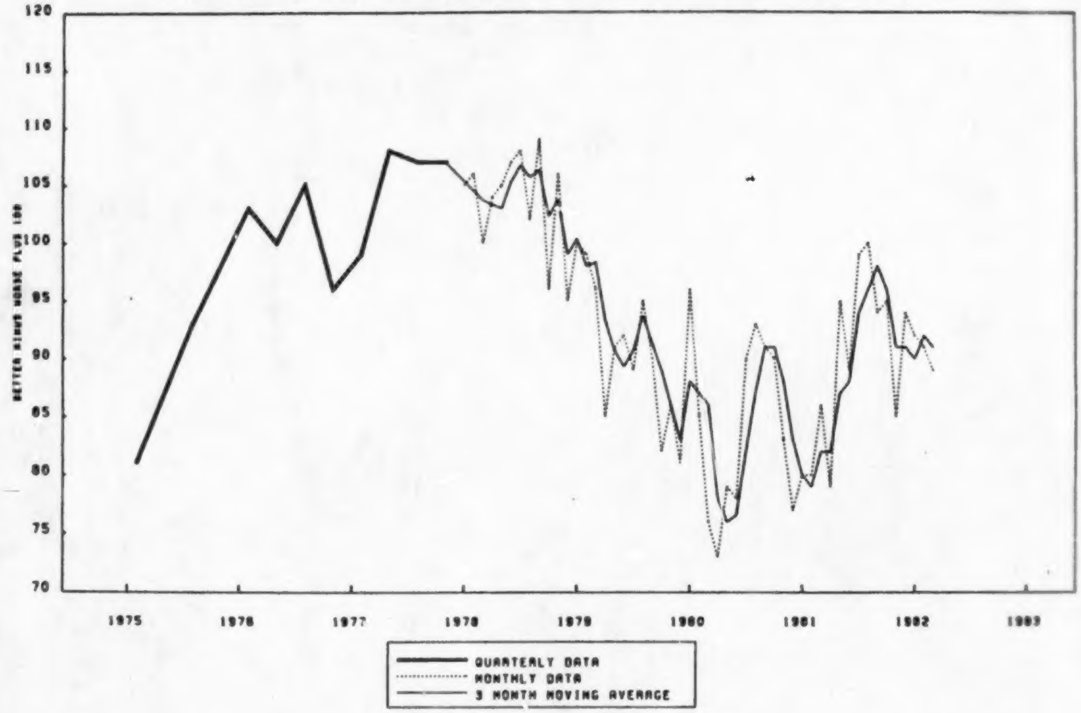
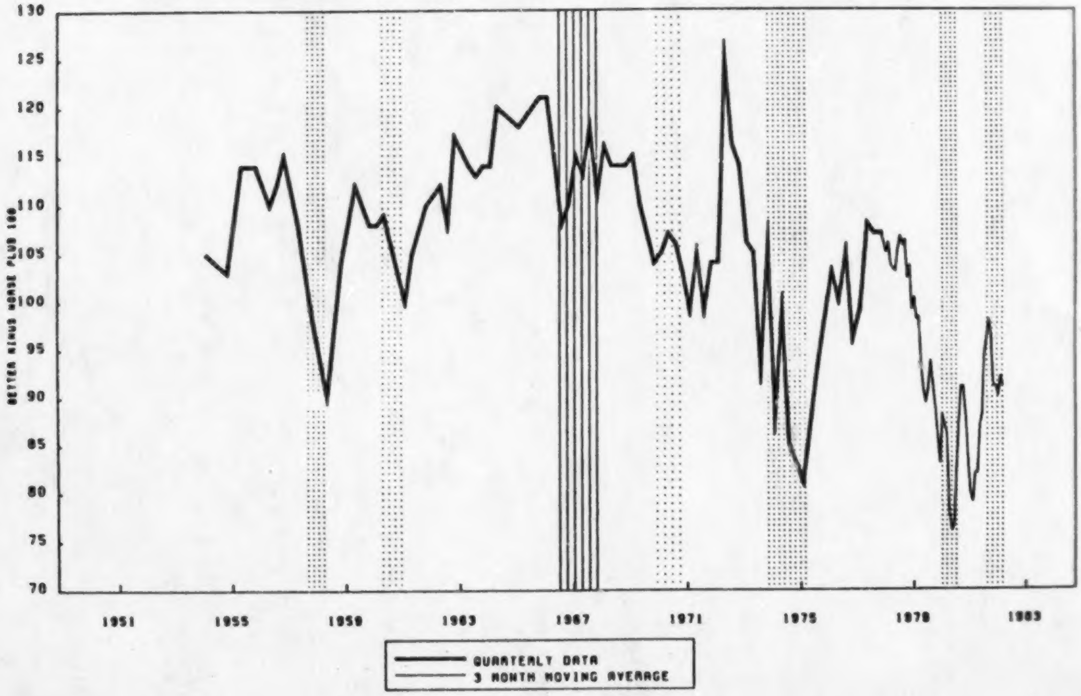


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

### CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 29% | 25% | 31% | 29% | 34% | 33% | 32% | 31% | 29% | 32% | 32% | 30% | 31% |
| SAME | 28 | 28 | 32 | 31 | 30 | 33 | 29 | 32 | 27 | 29 | 28 | 30 | 27 |
| WORSE OFF | 43 | 46 | 36 | 40 | 35 | 33 | 38 | 36 | 44 | 38 | 40 | 39 | 42 |
| DK,NA | * | 1 | 1 | * | 1 | 1 | 1 | 1 | * | 1 | * | 1 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

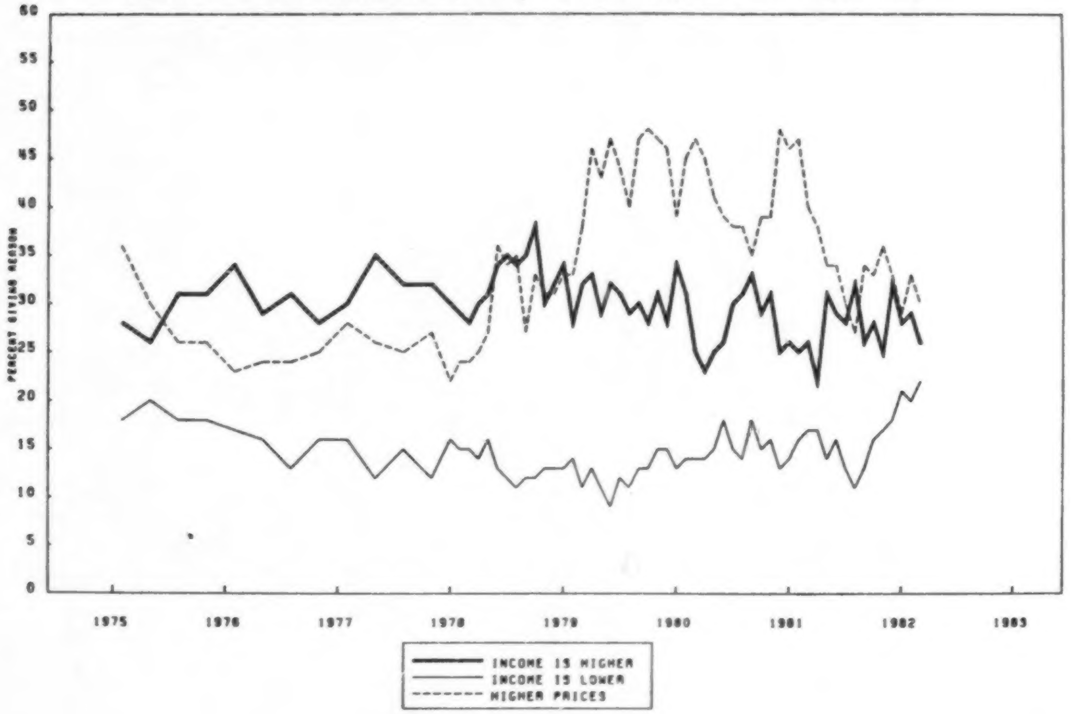
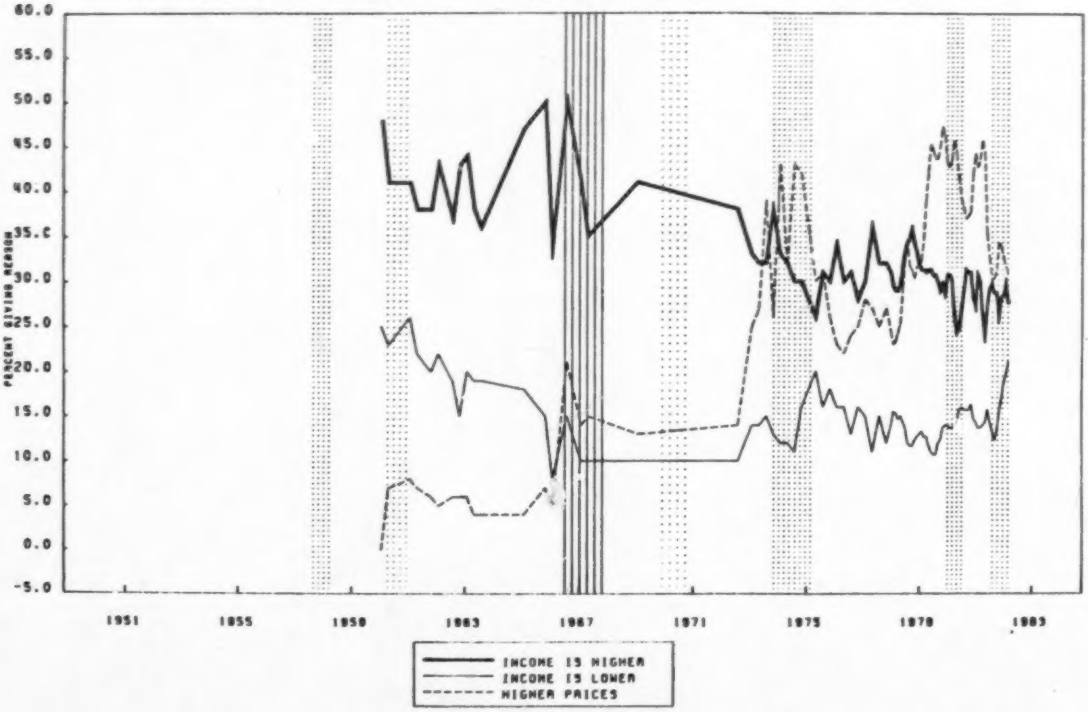


CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 26% | 22% | 31% | 29% | 28% | 32% | 26% | 28% | 25% | 32% | 28% | 29% | 26% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 17 | 17 | 14 | 16 | 13 | 11 | 13 | 16 | 17 | 18 | 21 | 20 | 22 |
| Higher prices | 40 | 38 | 34 | 34 | 30 | 27 | 34 | 33 | 36 | 33 | 29 | 33 | 30 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

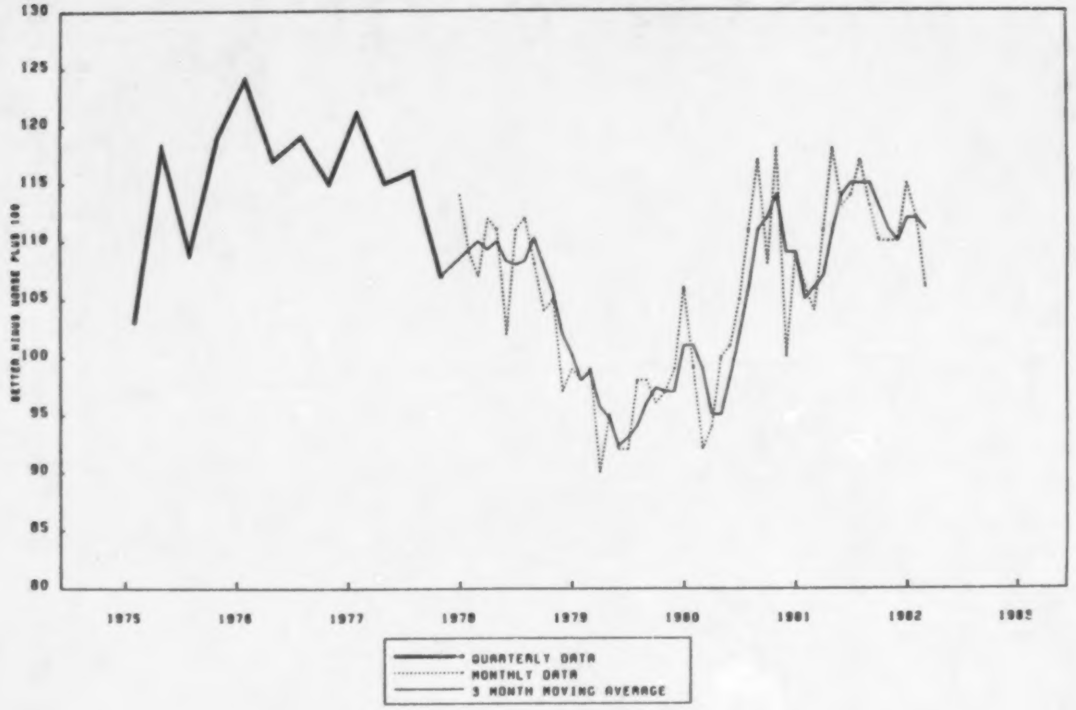
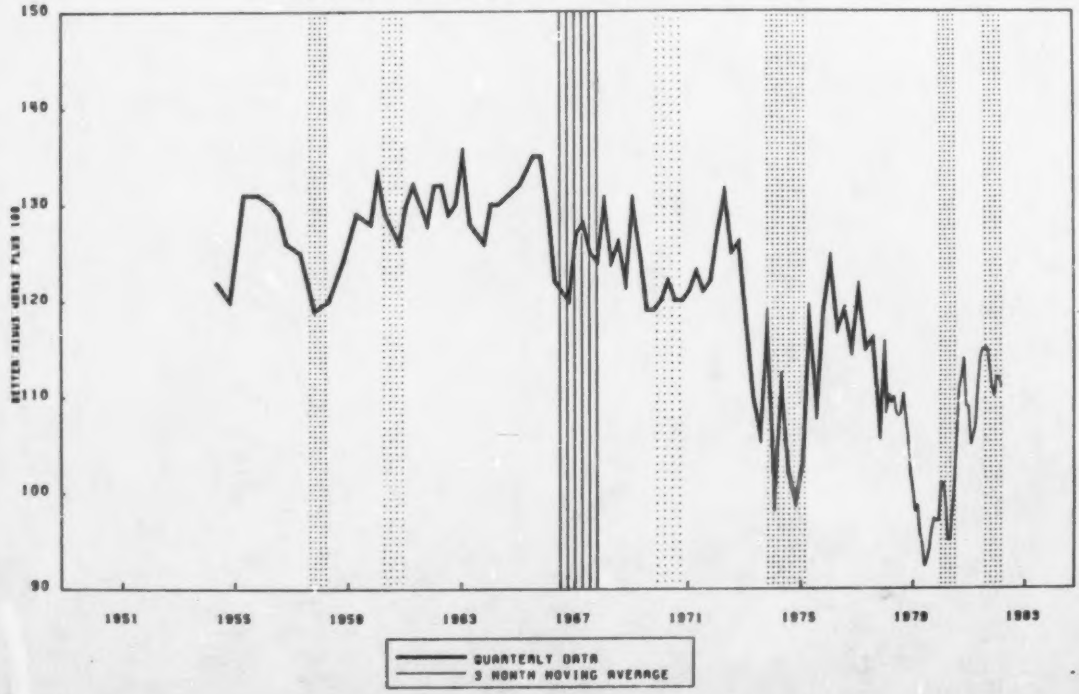


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION



## TABLE 6

## EXPECTED CHANGE IN FINANCIAL SITUATION

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 28% | 30% | 34% | 32% | 29% | 34% | 31% | 29% | 30% | 30% | 33% | 30% | 27% |
| SAME | 45 | 47 | 48 | 44 | 52 | 46 | 45 | 49 | 46 | 48 | 46 | 47 | 48 |
| WORSE OFF | 24 | 19 | 16 | 19 | 15 | 17 | 18 | 19 | 20 | 20 | 18 | 18 | 21 |
| DK,NA | 3 | 4 | 2 | 5 | 4 | 3 | 6 | 3 | 4 | 2 | 3 | 5 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

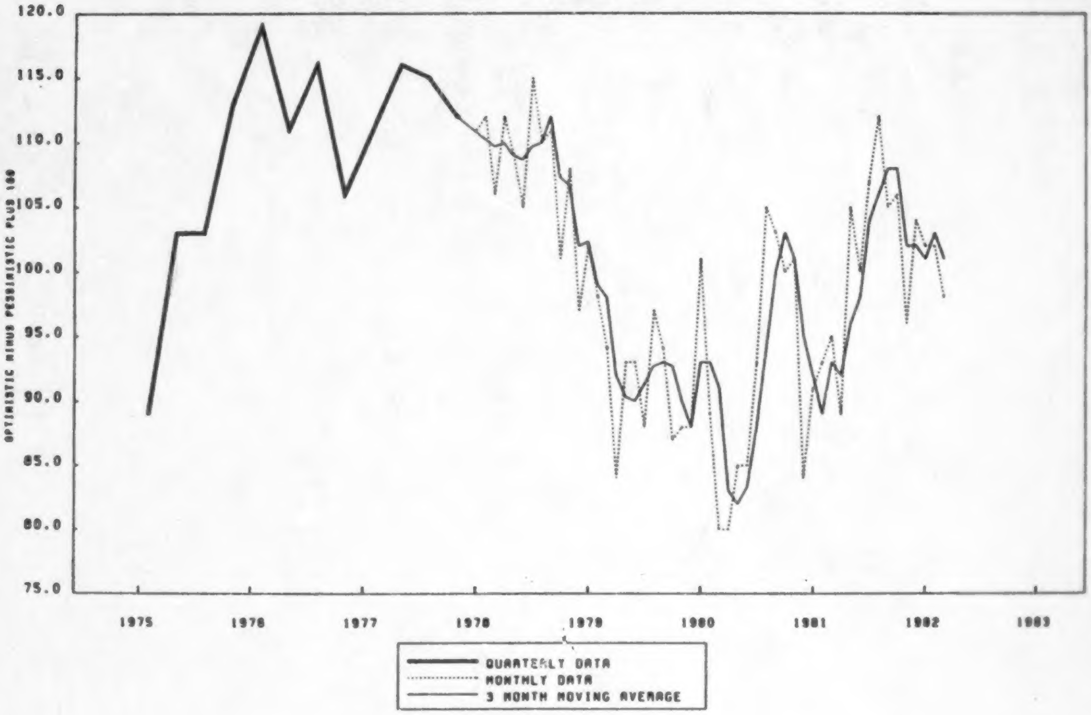
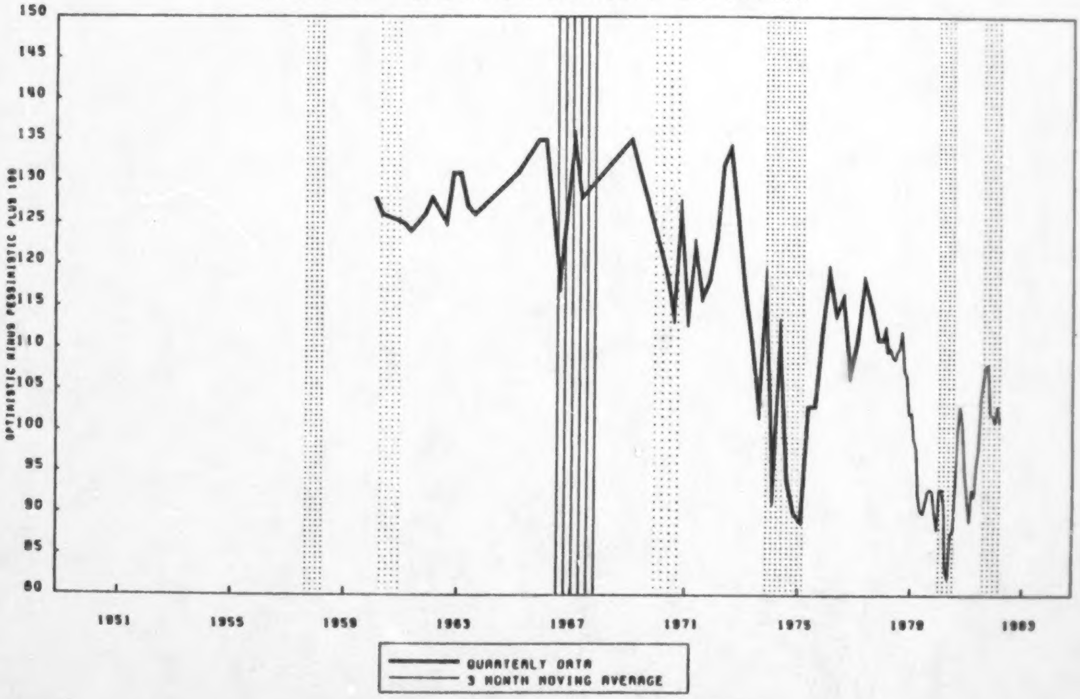


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

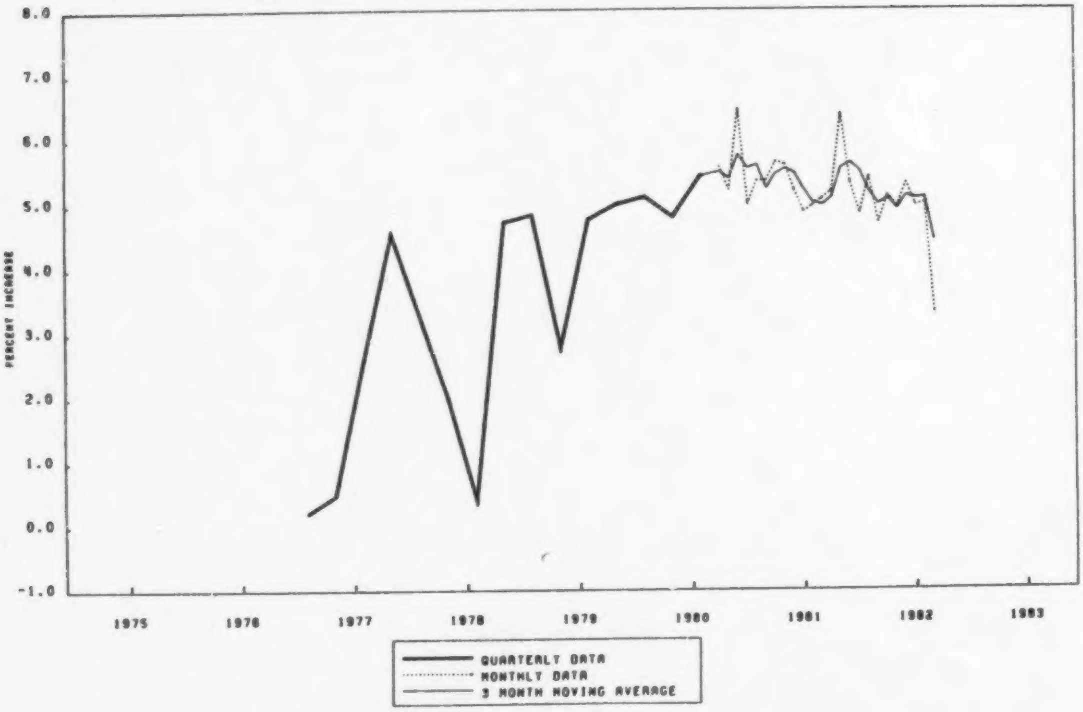
## TREND IN PERSONAL FINANCIAL SITUATION

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 12% | 11% | 15% | 13% | 15% | 14% | 16% | 13% | 13% | 13% | 15% | 15% | 11% |
| Intermittent increase (b) | 19 | 16 | 23 | 22 | 22 | 25 | 19 | 21 | 19 | 25 | 21 | 19 | 22 |
| Remain unchanged (c) | 15 | 14 | 15 | 14 | 19 | 18 | 17 | 21 | 14 | 14 | 15 | 18 | 14 |
| Intermittent decline (d) | 22 | 27 | 25 | 24 | 21 | 18 | 19 | 15 | 23 | 22 | 23 | 20 | 22 |
| Continuous decline (e) | 14 | 11 | 8 | 11 | 9 | 9 | 11 | 13 | 13 | 12 | 11 | 12 | 13 |
| Mixed change (f) | 14 | 15 | 12 | 11 | 9 | 12 | 12 | 14 | 14 | 11 | 12 | 11 | 14 |
| DK,NA | 4 | 6 | 2 | 5 | 5 | 4 | 6 | 3 | 4 | 3 | 3 | 5 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME



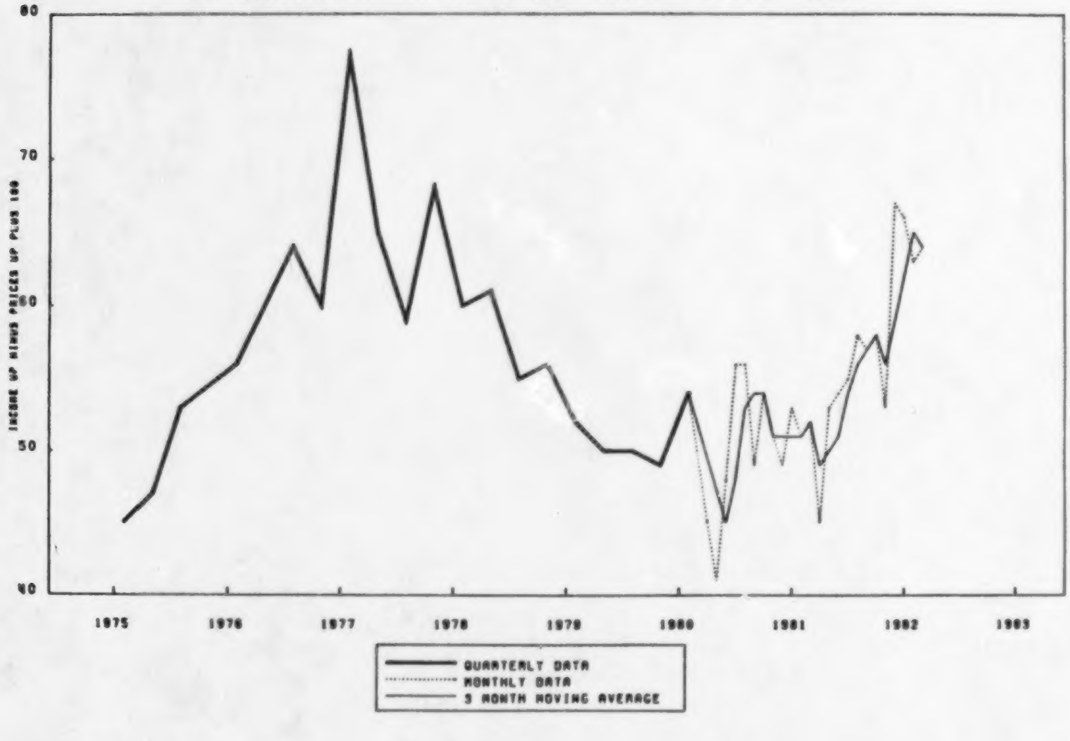
## TABLE 8

## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 7% | 6% | 6% | 6% | 7% | 5% | 6% | 6% | 5% | 5% | 7% | 5% | 5% |
| 5% | 9 | 8 | 10 | 10 | 7 | 8 | 9 | 10 | 9 | 9 | 10 | 9 | 8 |
| 6-9% | 11 | 11 | 11 | 10 | 10 | 9 | 10 | 13 | 8 | 10 | 11 | 12 | 9 |
| 10-24% | 21 | 22 | 28 | 25 | 21 | 27 | 23 | 21 | 23 | 24 | 22 | 22 | 19 |
| 25% or more | 7 | 7 | 8 | 7 | 10 | 6 | 6 | 6 | 8 | 8 | 7 | 6 | 7 |
| DK how much up | 9 | 9 | 7 | 7 | 5 | 6 | 6 | 6 | 4 | 6 | 4 | 6 | 6 |
| EXPECT SAME | 21 | 25 | 19 | 21 | 24 | 26 | 27 | 24 | 25 | 21 | 23 | 25 | 25 |
| EXPECT DOWN | 12 | 10 | 8 | 11 | 13 | 9 | 12 | 12 | 15 | 15 | 14 | 13 | 18 |
| DK,NA | 3 | 2 | 3 | 3 | 3 | 4 | 1 | 2 | 3 | 2 | 2 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

## CHART 9 - RECENT CHANGES
## INCOME OR PRICES UP MORE DURING THE LAST YEAR



## TABLE 9

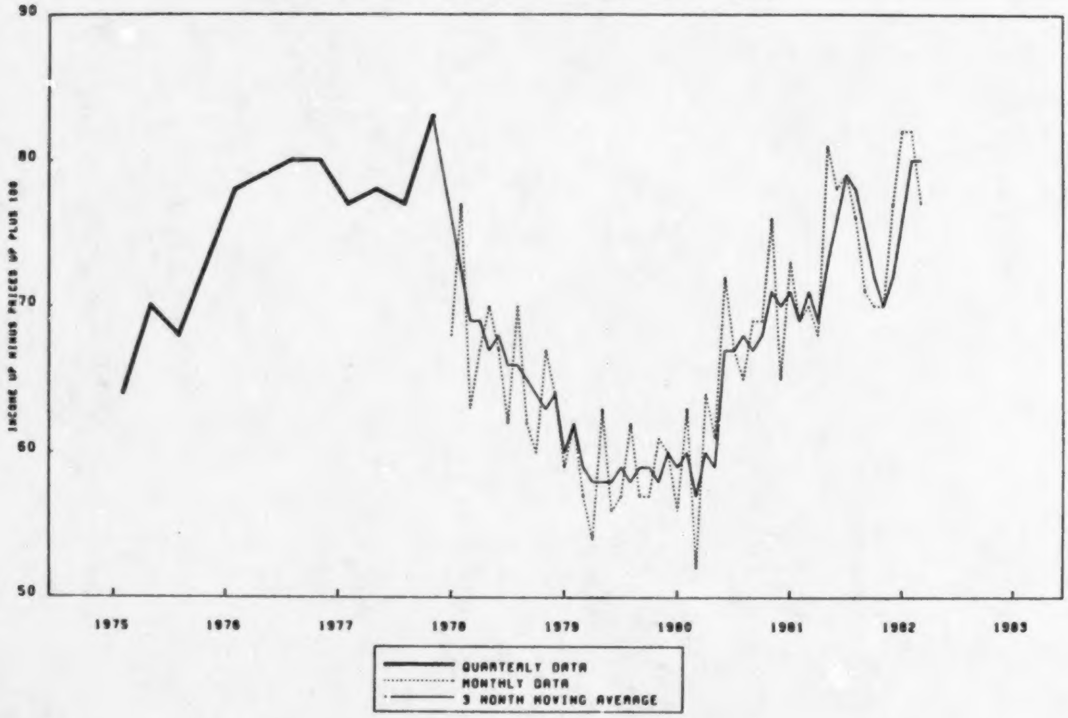
## PAST CHANGE IN REAL FAMILY INCOME

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 13% | 9% | 12% | 13% | 13% | 14% | 13% | 13% | 12% | 17% | 17% | 16% | 16% |
| INCOME UP SAME | 24 | 26 | 28 | 26 | 25 | 29 | 31 | 30 | 27 | 32 | 30 | 30 | 31 |
| PRICES UP MORE | 61 | 64 | 59 | 59 | 58 | 56 | 56 | 55 | 59 | 50 | 51 | 53 | 52 |
| DK,NA | 2 | 1 | 1 | 2 | 4 | 1 | * | 2 | 2 | 1 | 2 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



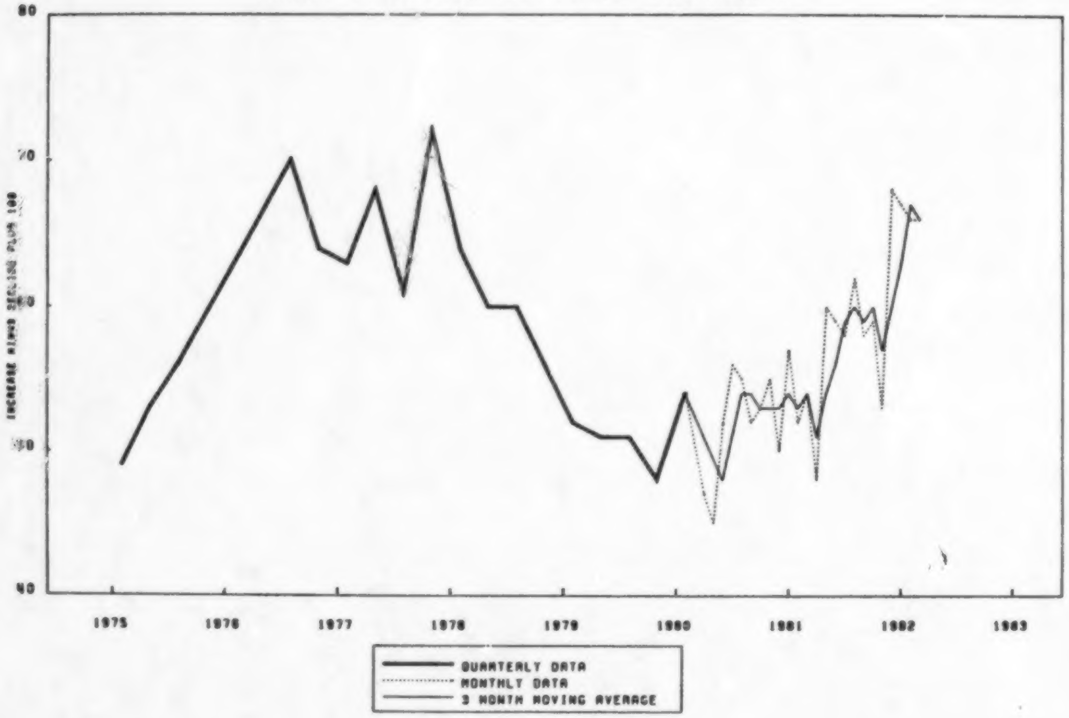
## TABLE 10

## EXPECTED CHANGE IN REAL FAMILY INCOME

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 14% | 13% | 19% | 16% | 17% | 16% | 13% | 14% | 13% | 17% | 17% | 20% | 16% |
| INCOME UP SAME | 38 | 39 | 41 | 43 | 41 | 40 | 42 | 40 | 41 | 41 | 45 | 40 | 41 |
| PRICES UP MORE | 44 | 45 | 38 | 38 | 38 | 40 | 42 | 44 | 43 | 40 | 35 | 38 | 39 |
| DK,NA | 4 | 3 | 2 | 3 | 4 | 4 | 3 | 2 | 3 | 2 | 3 | 2 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

## CHART 11 - RECENT CHANGES
## TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

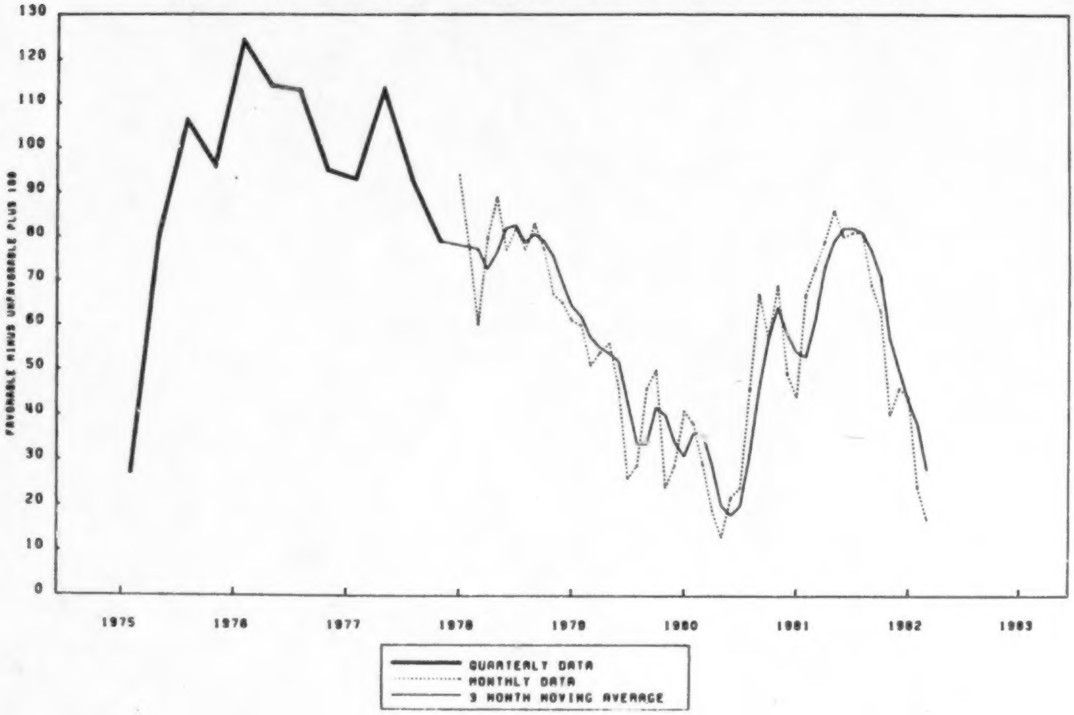
## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 6% | 4% | 6% | 6% | 8% | 7% | 5% | 5% | 5% | 8% | 9% | 9% | 7% |
| Intermittent increase (b) | 9 | 7 | 10 | 10 | 7 | 8 | 11 | 10 | 8 | 12 | 11 | 9 | 10 |
| Remain unchanged (c) | 14 | 17 | 16 | 17 | 16 | 20 | 19 | 18 | 17 | 19 | 19 | 20 | 20 |
| Intermittent decline (d) | 26 | 25 | 25 | 25 | 25 | 21 | 24 | 21 | 26 | 22 | 25 | 22 | 21 |
| Continuous decline (e) | 35 | 38 | 31 | 32 | 32 | 32 | 34 | 35 | 34 | 30 | 28 | 30 | 30 |
| Mixed change (f) | 5 | 6 | 9 | 6 | 7 | 8 | 4 | 8 | 6 | 6 | 5 | 8 | 8 |
| DK,NA | 5 | 3 | 3 | 4 | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 2 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

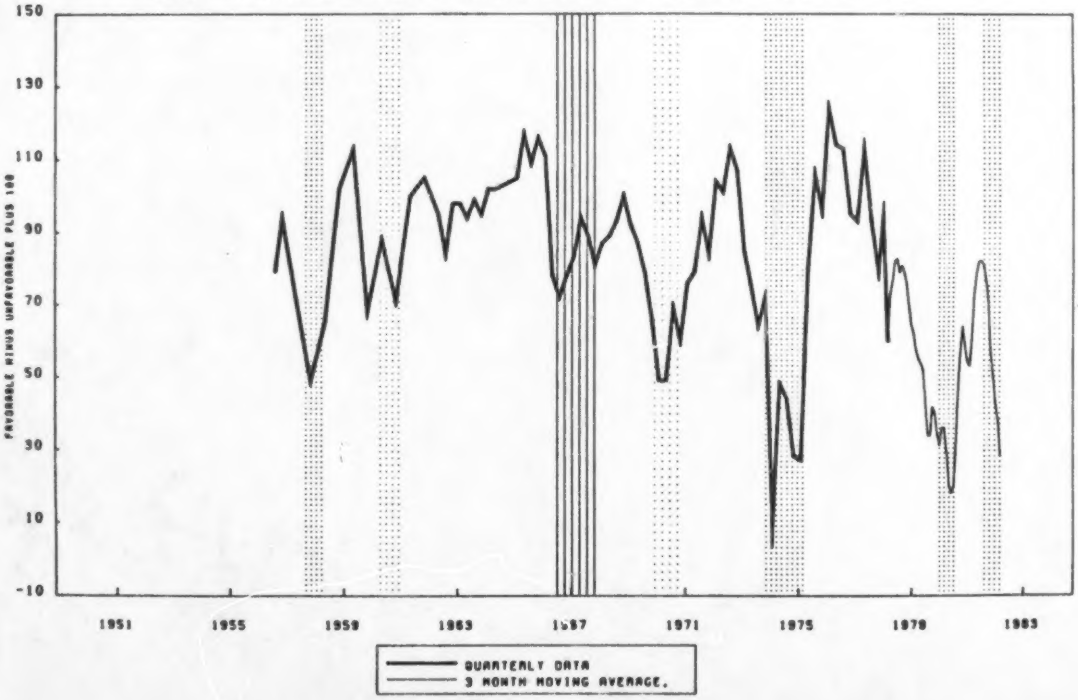
Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

## CHART 12 - RECENT CHANGES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## CHART 12 - HISTORICAL SERIES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 30% | 28% | 31% | 24% | 27% | 28% | 24% | 22% | 14% | 23% | 23% | 20% | 18% |
| UNFAVORABLE NEWS | 57 | 49 | 45 | 44 | 46 | 47 | 55 | 59 | 74 | 77 | 79 | 96 | 101 |
| NO MENTIONS | 42 | 47 | 47 | 52 | 51 | 48 | 47 | 45 | 43 | 37 | 33 | 29 | 26 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

# TABLE 13

## SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 9% | 6% | 4% | 6% | 4% | 7% | 8% | 5% | 3% | 4% | 4% | 3% | 4% |
| Employment | 8 | 7 | 8 | 4 | 7 | 8 | 6 | 4 | 2 | 4 | 5 | 5 | 4 |
| Consumer demand high | 1 | 3 | 4 | 1 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | * | * |
| Prices are low | 1 | 2 | 2 | 3 | 4 | 2 | * | 1 | * | 1 | 2 | 1 | 2 |
| Credit is easy | 4 | 5 | 2 | 2 | 2 | 2 | 2 | 3 | 4 | 10 | 6 | 5 | 3 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 7 | 7 | 4 | 4 | 5 | 6 | 5 | 5 | 3 | 4 | 5 | 6 | 7 |
| Unemployment | 19 | 19 | 14 | 16 | 16 | 17 | 19 | 20 | 28 | 32 | 35 | 40 | 46 |
| Consumer demand low | 10 | 6 | 6 | 3 | 4 | 5 | 3 | 6 | 10 | 11 | 11 | 14 | 12 |
| Prices are high | 6 | 6 | 4 | 5 | 5 | 3 | 5 | 3 | 7 | 4 | 5 | 4 | 5 |
| Credit is tight | 4 | 4 | 7 | 9 | 7 | 7 | 10 | 10 | 11 | 8 | 6 | 8 | 10 |
| Energy crisis | 1 | * | * | * | * | 1 | 1 | * | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

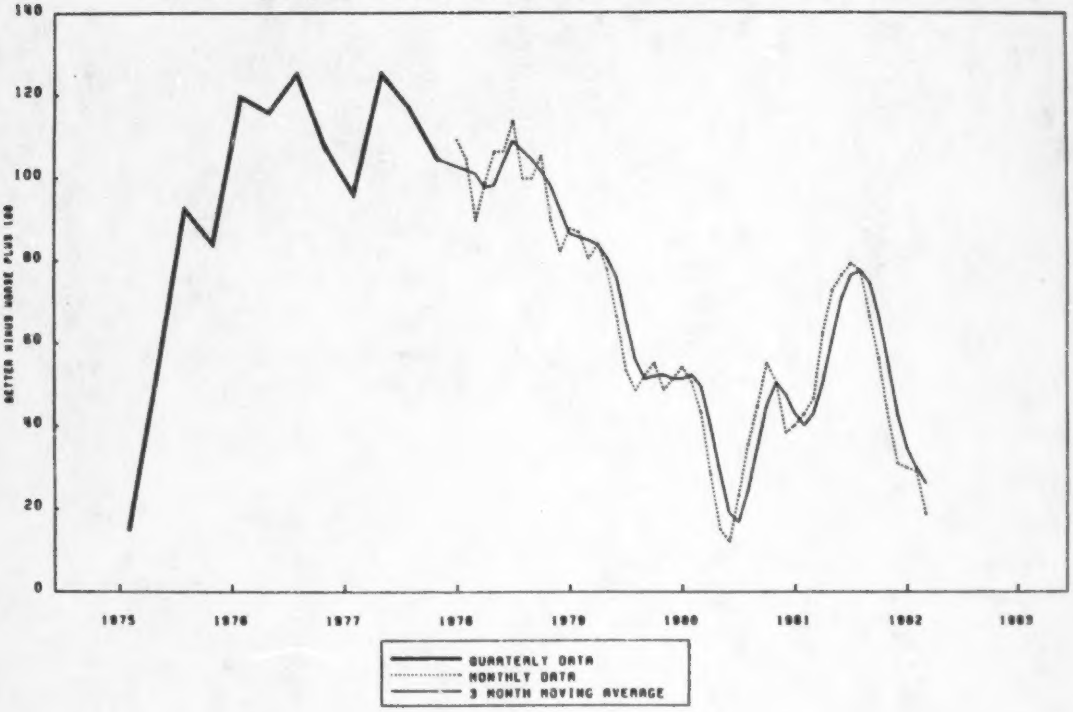
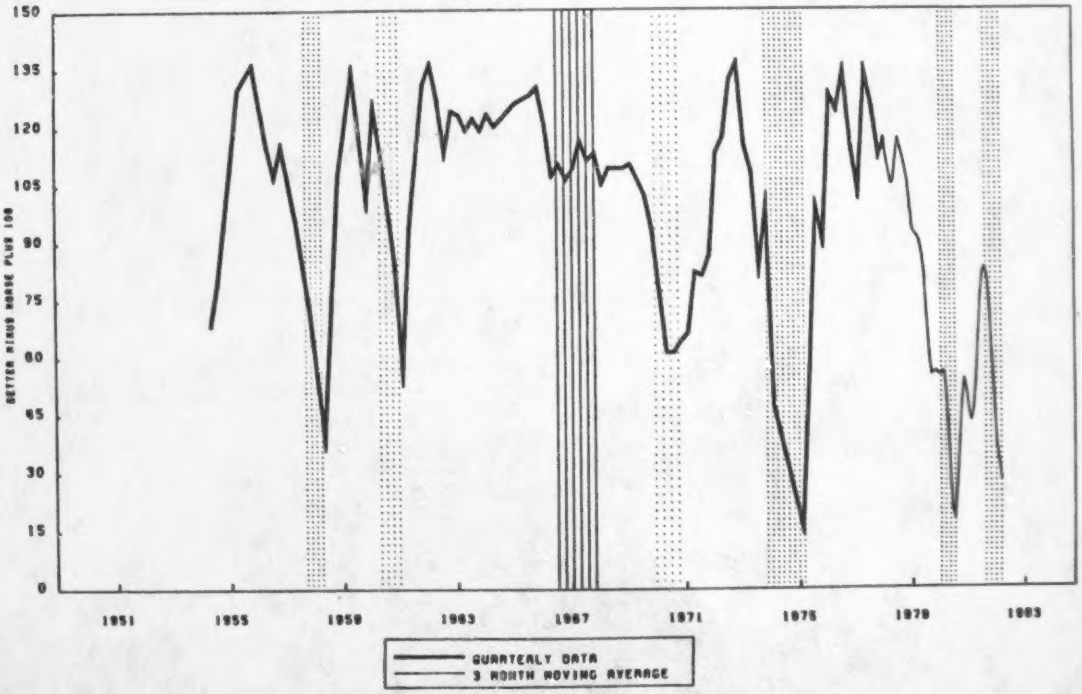


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 17% | 24% | 30% | 31% | 32% | 33% | 28% | 23% | 15% | 13% | 11% | 11% | 7% |
| SAME | 14 | 17 | 17 | 18 | 18 | 15 | 12 | 12 | 12 | 6 | 8 | 8 | 5 |
| WORSE NOW | 67 | 57 | 52 | 49 | 47 | 50 | 57 | 63 | 70 | 80 | 79 | 80 | 87 |
| DK,NA | 2 | 2 | 1 | 2 | 3 | 2 | 3 | 2 | 3 | 1 | 2 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

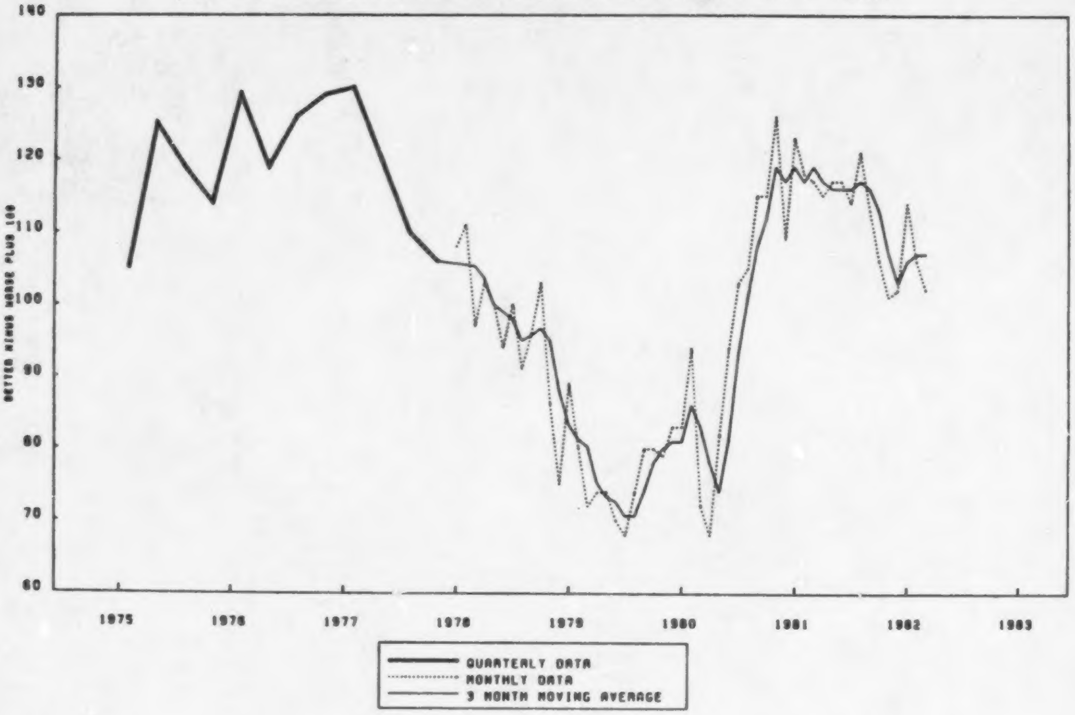
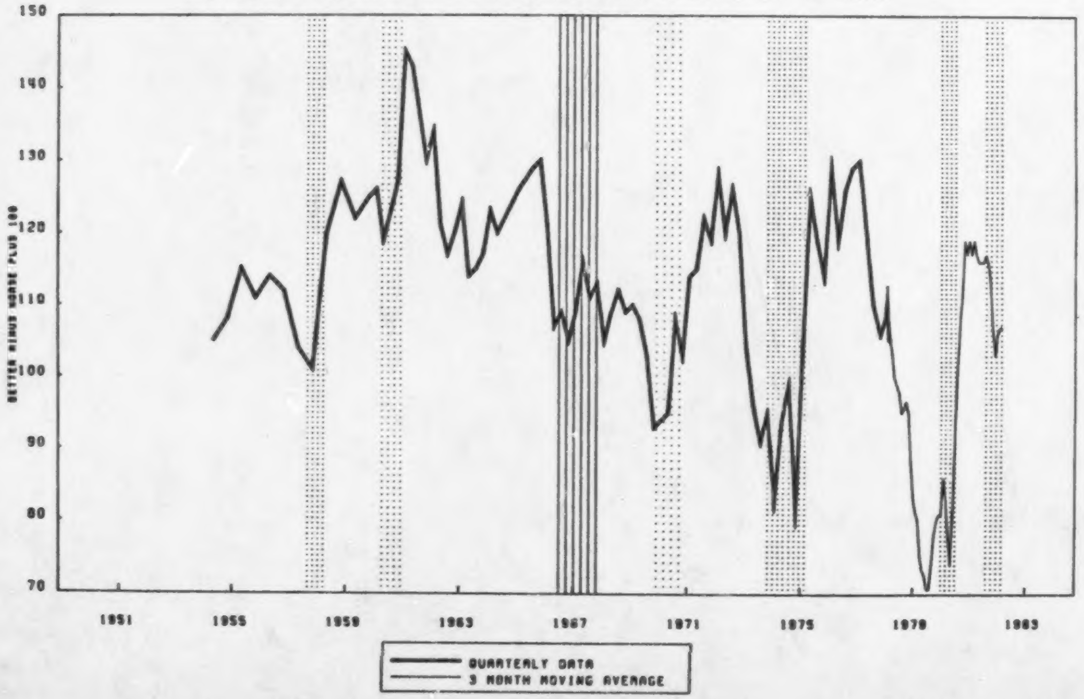


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 38% | 36% | 36% | 36% | 34% | 38% | 32% | 31% | 27% | 31% | 38% | 34% | 29% |
| SAME | 38 | 41 | 44 | 42 | 44 | 43 | 45 | 41 | 44 | 37 | 36 | 36 | 42 |
| WORSE | 21 | 21 | 19 | 19 | 20 | 17 | 19 | 25 | 26 | 29 | 24 | 28 | 27 |
| DK,NA | 3 | 2 | 1 | 3 | 2 | 2 | 4 | 3 | 3 | 3 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

## TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 32% | 31% | 25% | 25% | 21% | 29% | 24% | 19% | 15% | 15% | 19% | 19% | 13% |
| Employment | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 6 | 3 | 2 | 5 | 4 | 3 |
| Higher consumer demand | 2 | 2 | 2 | 3 | 2 | 3 | 4 | 2 | 2 | 3 | 3 | 2 | 3 |
| Lower prices | 3 | 2 | 3 | 2 | 4 | 3 | 2 | 1 | 1 | 2 | 3 | 2 | 2 |
| Easier credit | 2 | 2 | 3 | 4 | 3 | 4 | 4 | 6 | 7 | 9 | 5 | 5 | 7 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 9 | 8 | 8 | 12 | 11 | 12 | 11 | 15 | 10 | 12 | 11 | 12 | 13 |
| Unemployment | 6 | 6 | 5 | 8 | 9 | 6 | 7 | 7 | 12 | 15 | 12 | 16 | 15 |
| Lower consumer demand | 4 | 5 | 4 | 4 | 5 | 3 | 6 | 4 | 6 | 7 | 6 | 7 | 9 |
| Higher prices | 8 | 10 | 6 | 8 | 7 | 4 | 9 | 7 | 8 | 8 | 5 | 6 | 6 |
| Tighter credit | 2 | 2 | 3 | 3 | 5 | 6 | 8 | 5 | 5 | 4 | 4 | 7 | 7 |
| Energy crisis | 1 | * | * | 1 | * | * | * | 1 | * | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

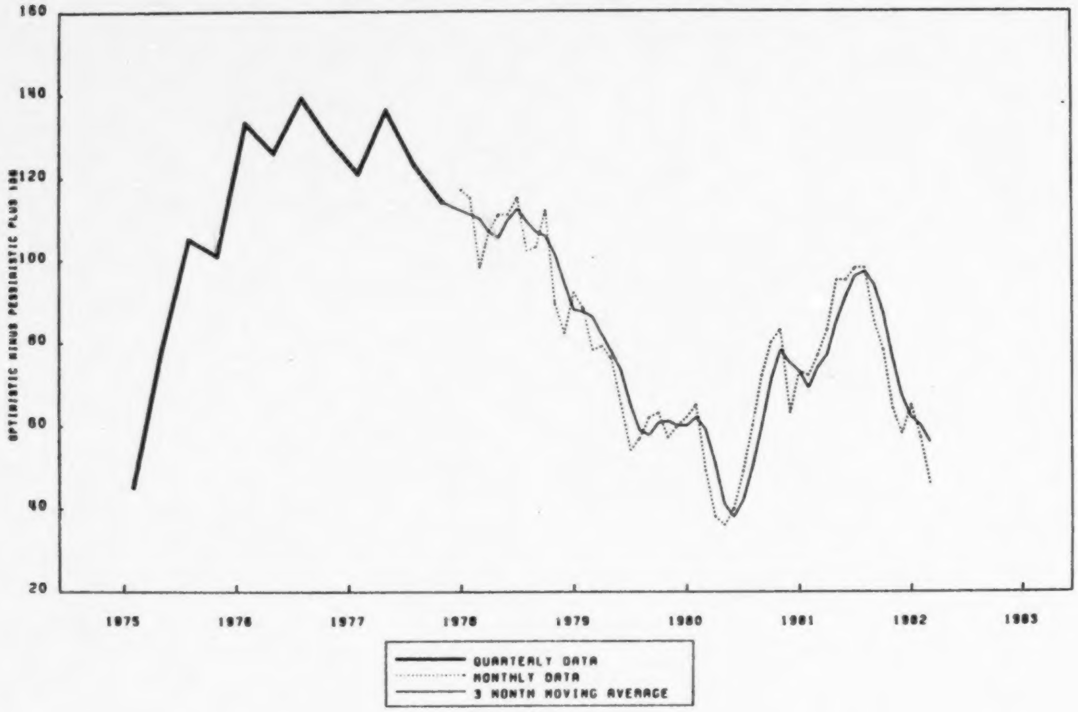
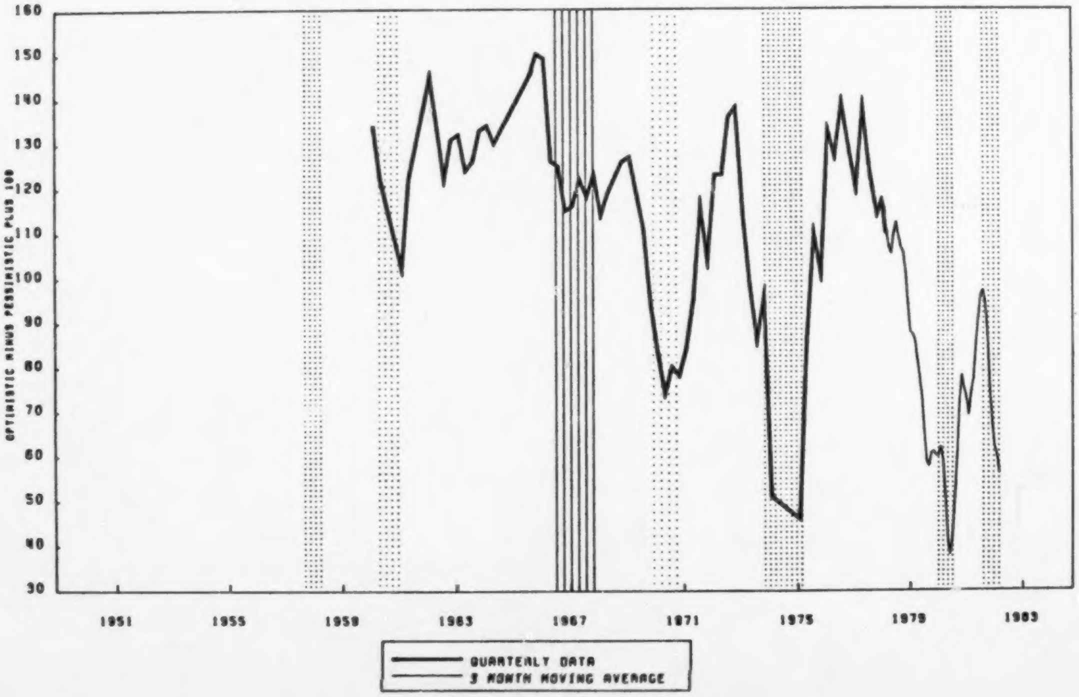


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## TABLE 17

## TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

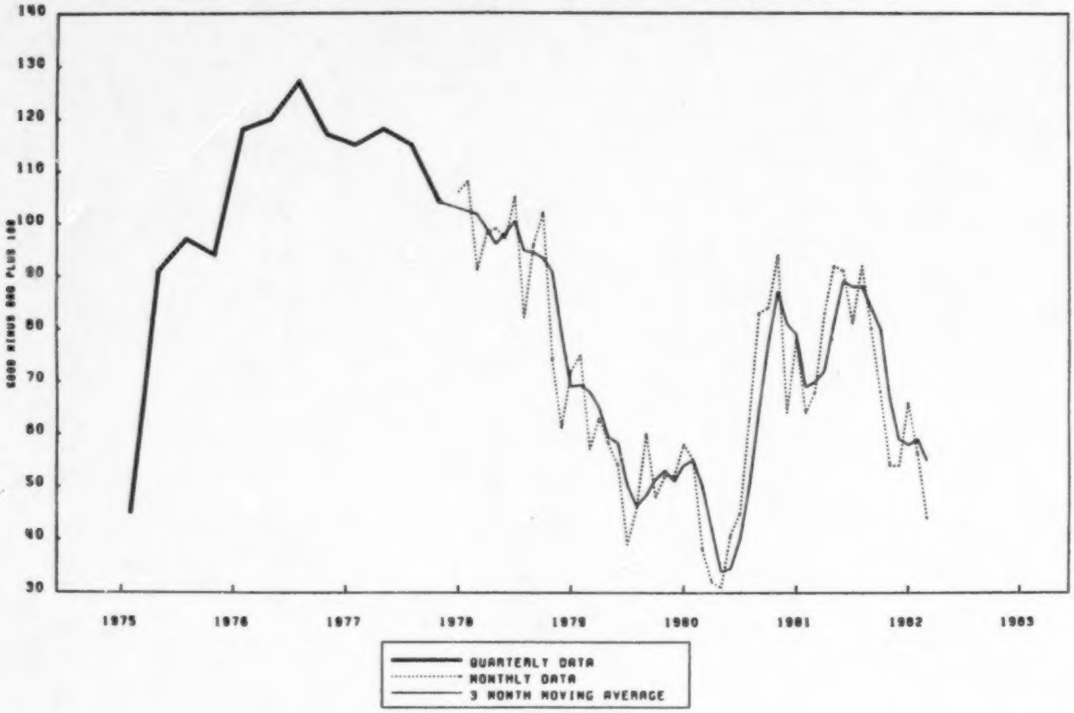
| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 9% | 15% | 14% | 19% | 15% | 18% | 14% | 12% | 6% | 5% | 6% | 6% | 4% |
| Intermittent increase (b) | 12 | 13 | 17 | 16 | 21 | 17 | 16 | 14 | 11 | 8 | 9 | 6 | 5 |
| Remain unchanged (c) | 6 | 8 | 10 | 8 | 8 | 7 | 6 | 4 | 6 | 3 | 3 | 4 | 2 |
| Intermittent decline (d) | 27 | 29 | 24 | 25 | 24 | 25 | 29 | 27 | 31 | 29 | 27 | 30 | 37 |
| Continuous decline (e) | 17 | 16 | 12 | 15 | 14 | 12 | 16 | 21 | 22 | 26 | 23 | 25 | 26 |
| Mixed change (f) | 25 | 16 | 20 | 12 | 13 | 18 | 14 | 17 | 18 | 25 | 29 | 26 | 23 |
| DK,NA | 4 | 3 | 3 | 5 | 5 | 3 | 5 | 5 | 6 | 4 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

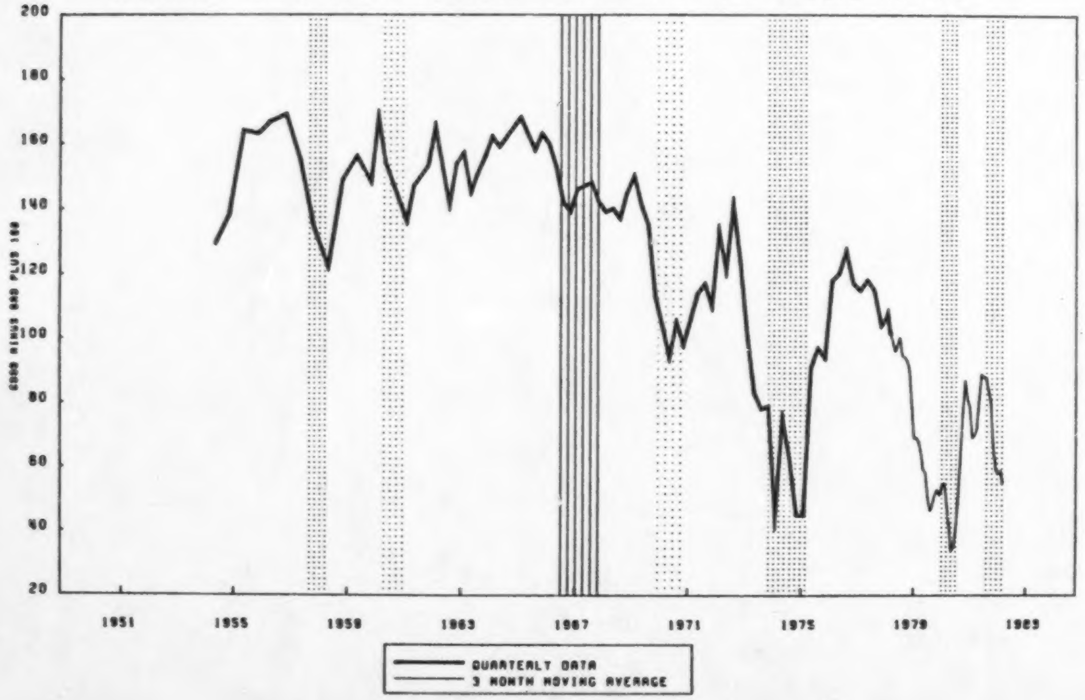
## CHART 18 - RECENT CHANGES

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



## CHART 18 - HISTORICAL SERIES

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



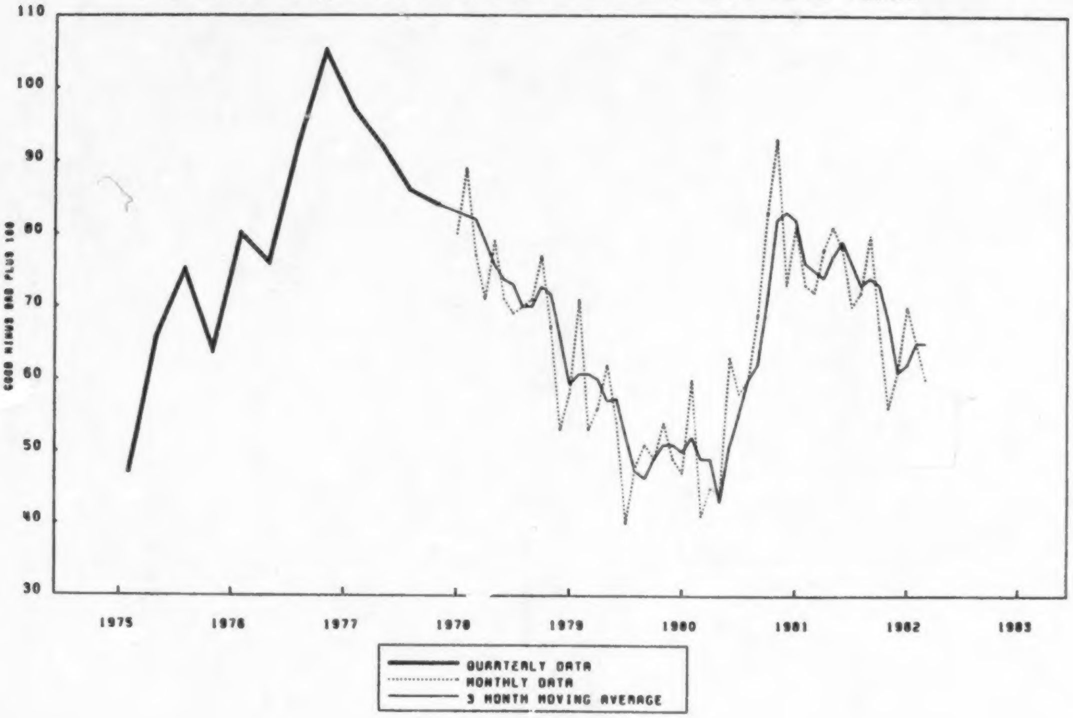
## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

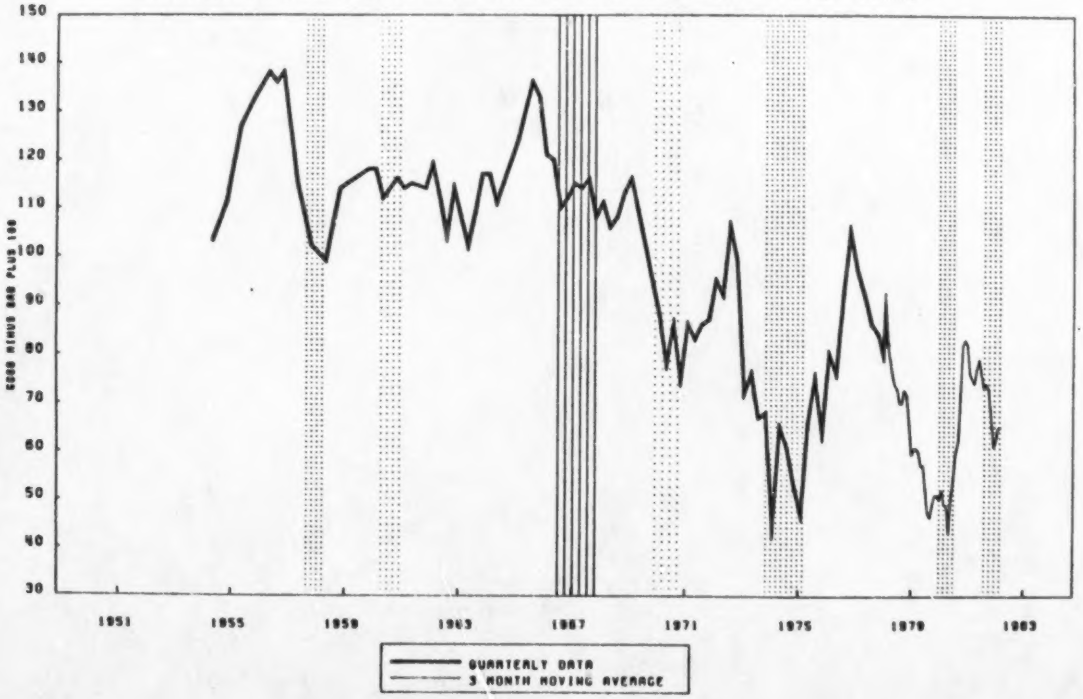
| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 27% | 36% | 41% | 41% | 35% | 40% | 33% | 25% | 21% | 23% | 30% | 23% | 17% |
| UNCERTAIN; GOOD & BAD | 3 | 3 | 3 | 2 | 2 | 4 | 3 | 3 | 4 | 2 | 1 | 2 | 2 |
| BAD TIMES | 59 | 53 | 49 | 50 | 54 | 48 | 53 | 57 | 67 | 69 | 64 | 67 | 73 |
| DON'T KNOW | 6 | 6 | 5 | 5 | 5 | 5 | 6 | 8 | 6 | 4 | 3 | 4 | 3 |
| NOT ASCERTAINED | 5 | 2 | 2 | 2 | 4 | 3 | 5 | 7 | 2 | 2 | 2 | 4 | 5 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

## CHART 19 - RECENT CHANGES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## CHART 19 - HISTORICAL SERIES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 27% | 30% | 33% | 33% | 27% | 28% | 30% | 24% | 18% | 20% | 28% | 24% | 22% |
| UNCERTAIN; GOOD & BAD | 14 | 13 | 11 | 9 | 11 | 12 | 16 | 14 | 17 | 17 | 11 | 13 | 13 |
| BAD TIMES | 55 | 52 | 52 | 55 | 57 | 56 | 50 | 57 | 62 | 59 | 58 | 59 | 62 |
| NOT ASCERTAINED | 4 | 5 | 4 | 3 | 5 | 4 | 4 | 5 | 3 | 4 | 3 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

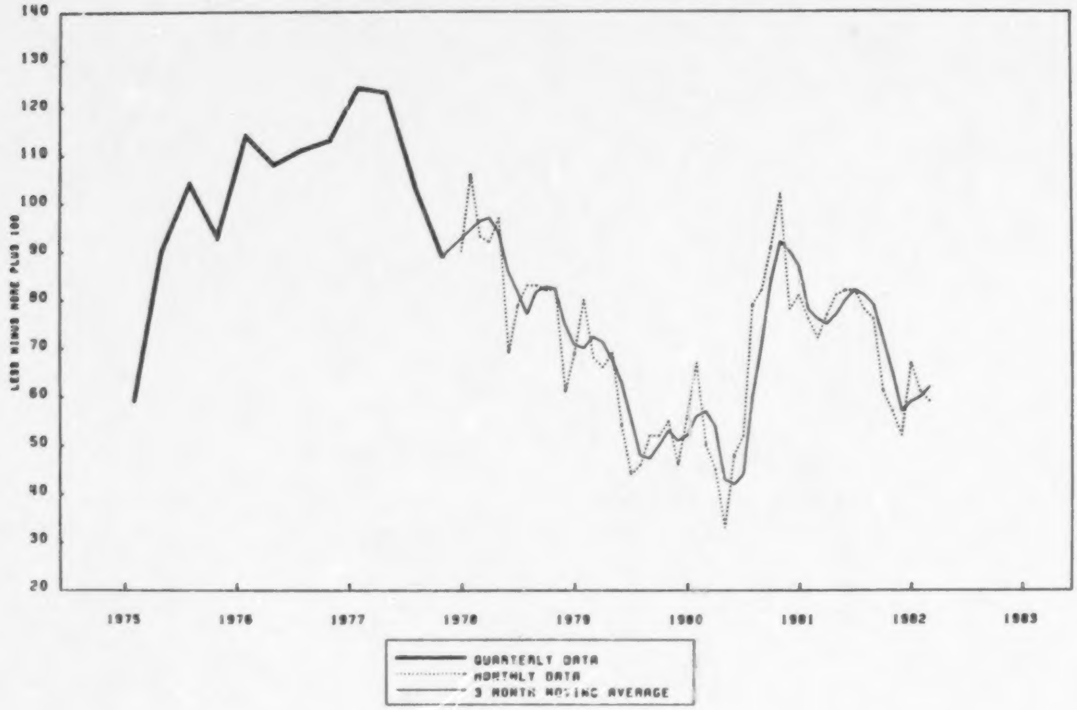
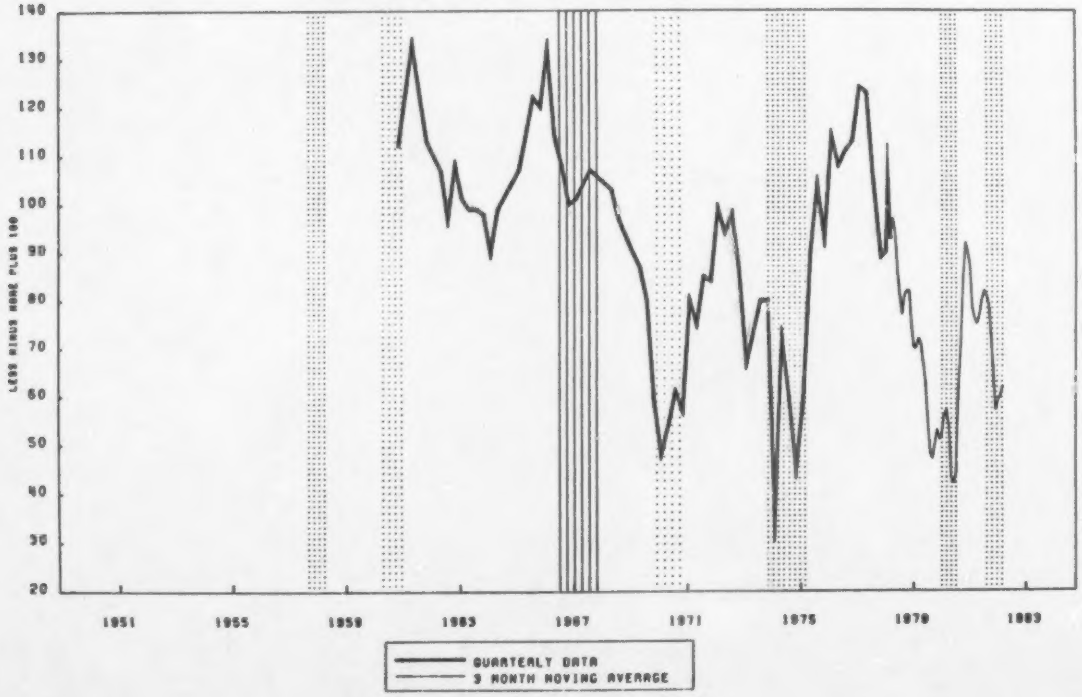


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



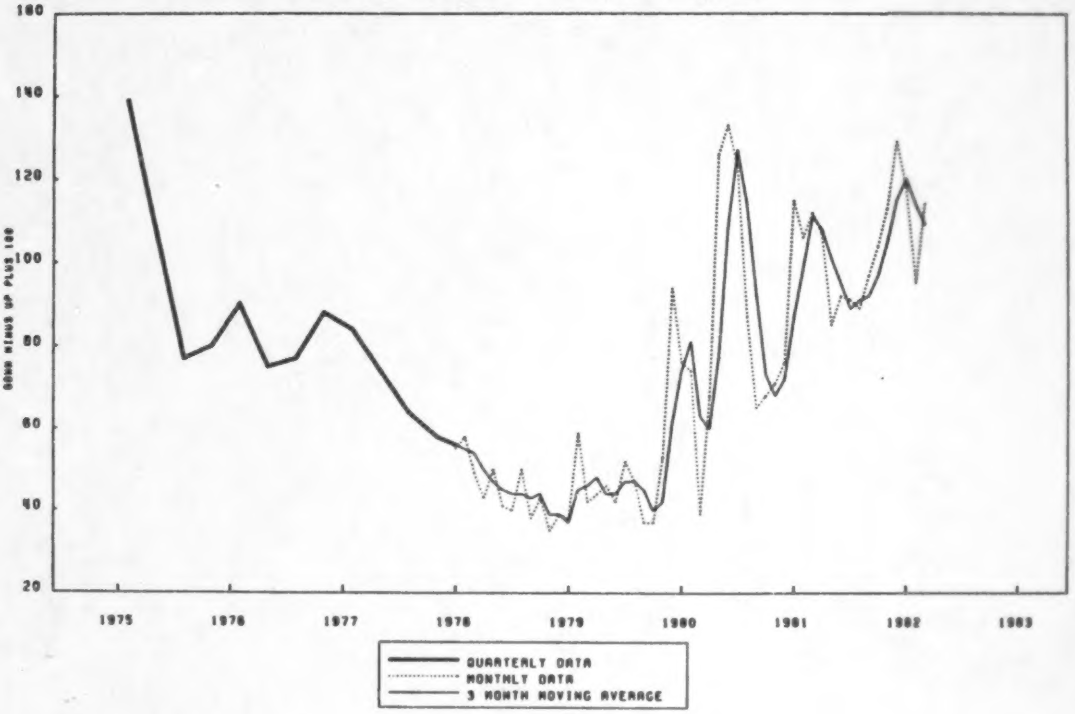
## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

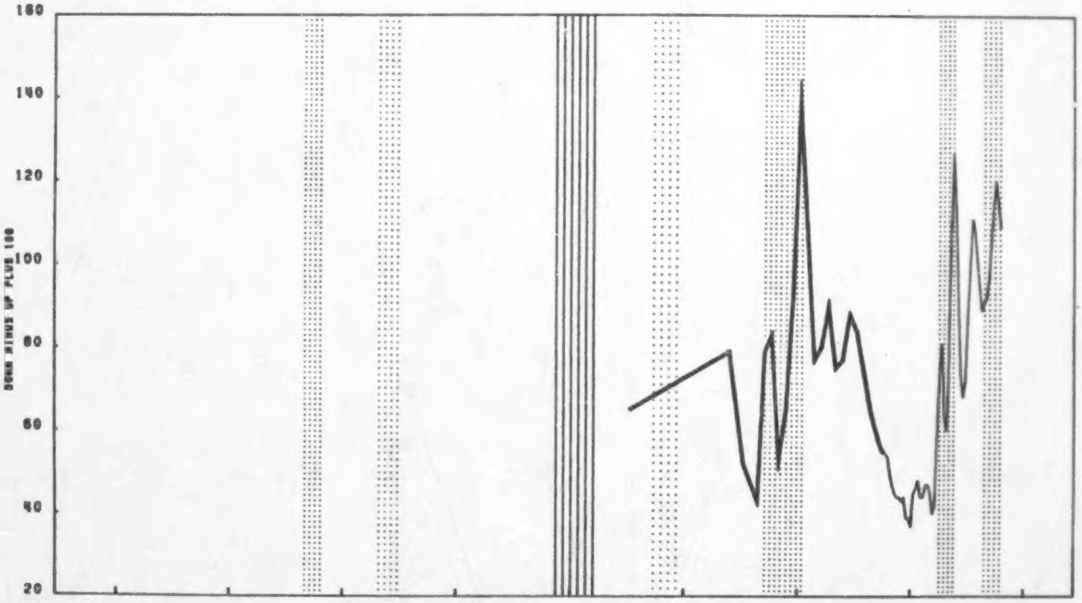
| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 13% | 17% | 17% | 18% | 18% | 14% | 15% | 11% | 11% | 11% | 16% | 13% | 13% |
| SAME | 43 | 41 | 46 | 44 | 44 | 47 | 45 | 38 | 33 | 28 | 34 | 33 | 32 |
| MORE | 41 | 40 | 36 | 36 | 36 | 36 | 39 | 50 | 54 | 59 | 49 | 52 | 54 |
| DK,NA | 3 | 2 | 1 | 2 | 2 | 3 | 1 | 1 | 2 | 2 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

## CHART 21 - RECENT CHANGES
## EXPECTED CHANGE IN INTEREST RATES



## CHART 21 - HISTORICAL SERIES
## EXPECTED CHANGE IN INTEREST RATES



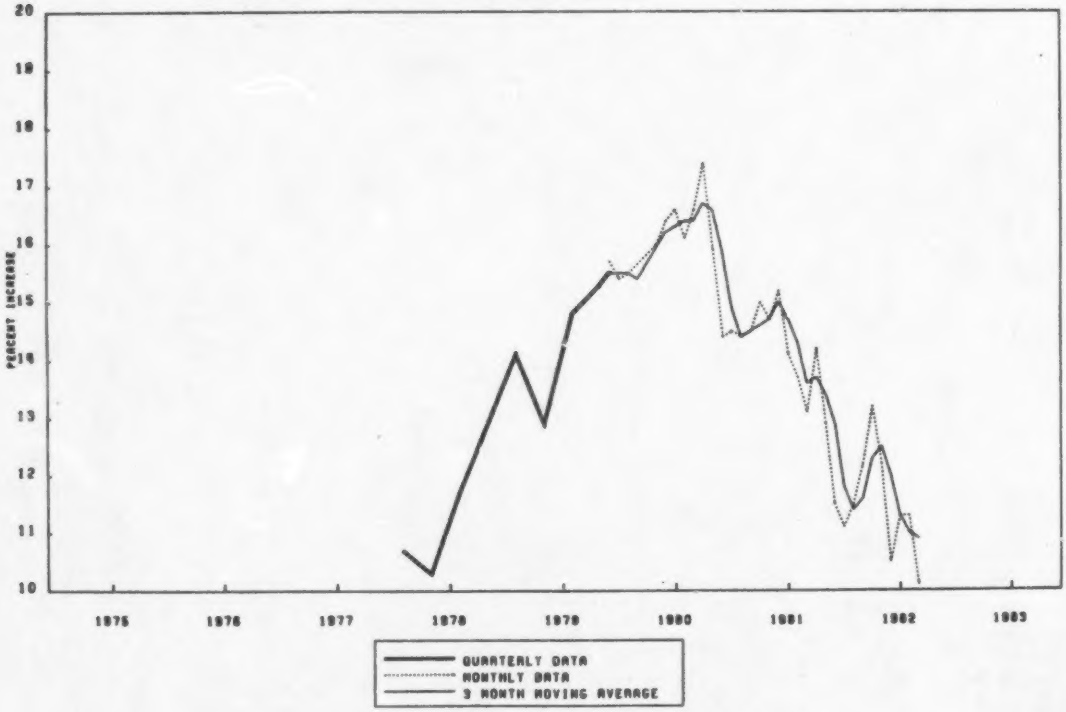
## TABLE 21

## EXPECTED CHANGE IN INTEREST RATES

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 29% | 31% | 41% | 38% | 38% | 37% | 33% | 31% | 29% | 21% | 25% | 34% | 25% |
| STAY THE SAME | 26 | 27 | 30 | 27 | 28 | 34 | 33 | 30 | 25 | 25 | 28 | 33 | 33 |
| GO DOWN | 41 | 38 | 26 | 30 | 29 | 26 | 30 | 35 | 42 | 50 | 43 | 29 | 39 |
| DK,NA | 4 | 4 | 3 | 5 | 5 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22
CHANGE IN PRICES DURING THE LAST 12 MONTHS



## TABLE 22

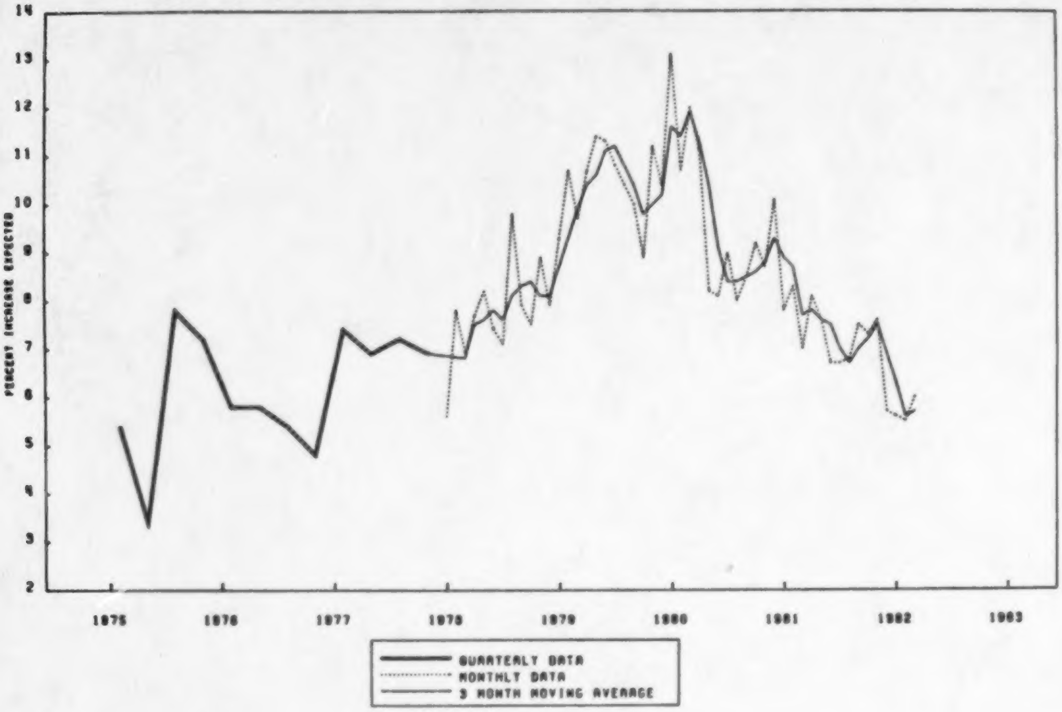
## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 4% | 4% | 5% | 9% | 10% | 11% | 10% | 8% | 7% | 10% | 11% | 13% | 15% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 2 | 4 | 2 | 4 | 4 | 4 | 3 | 4 | 2 | 4 | 4 | 4 | 5 |
| 3-4% | 4 | 5 | 7 | 7 | 7 | 7 | 5 | 6 | 7 | 7 | 5 | 6 | 7 |
| 5% | 7 | 6 | 8 | 11 | 11 | 10 | 9 | 9 | 11 | 11 | 11 | 11 | 13 |
| 6-9% | 10 | 12 | 10 | 12 | 12 | 11 | 15 | 12 | 14 | 15 | 17 | 14 | 12 |
| 10-14% | 29 | 26 | 31 | 28 | 24 | 25 | 25 | 26 | 26 | 28 | 24 | 24 | 24 |
| 15% or more | 25 | 30 | 27 | 24 | 24 | 23 | 24 | 27 | 24 | 19 | 22 | 22 | 19 |
| DK how much up | 18 | 13 | 10 | 5 | 8 | 9 | 8 | 8 | 8 | 6 | 6 | 6 | 5 |
| DK,NA | 1 | * | * | * | * | * | 1 | * | 1 | * | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 13.1 | 14.2 | 12.9 | 11.5 | 11.1 | 11.5 | 12.2 | 13.2 | 12.2 | 10.5 | 11.3 | 11.3 | 10.1 |
| VARIANCE | 111 | 156 | 123 | 110 | 111 | 114 | 143 | 156 | 134 | 104 | 126 | 132 | 114 |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 |

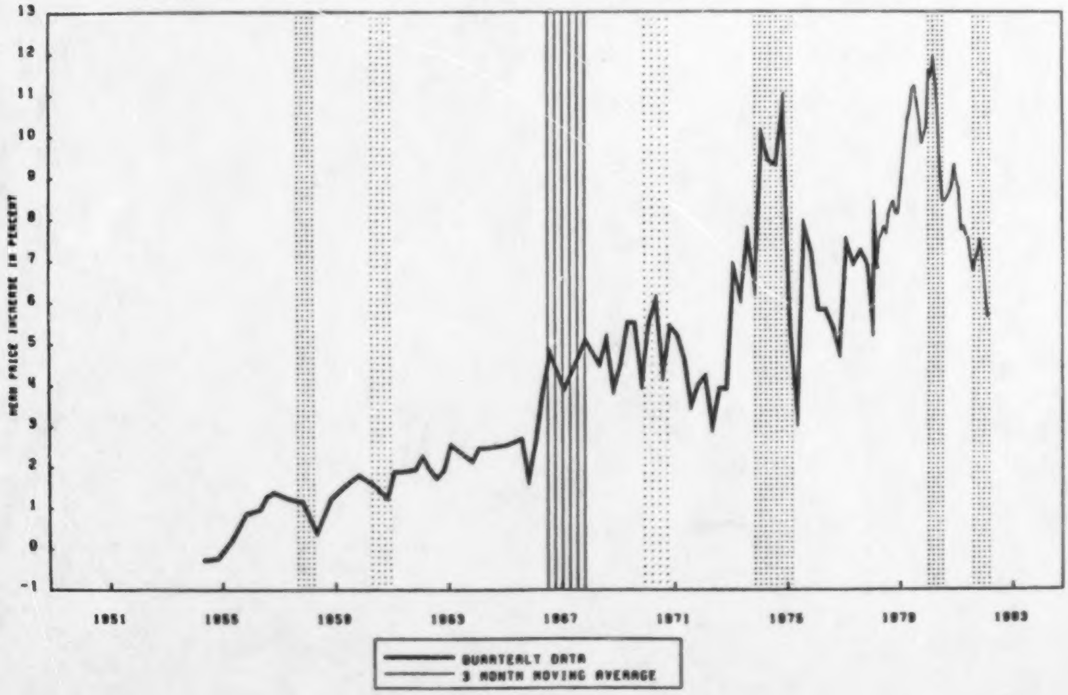
The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

## CHART 23 - RECENT CHANGES
## MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## CHART 23 - HISTORICAL SERIES
## MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 26% | 27% | 25% | 31% | 31% | 28% | 30% | 27% | 27% | 35% | 36% | 38% | 32% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 2 | 4 | 2 | 4 | 2 | 6 | 5 | 5 | 4 | 4 | 5 | 4 | 7 |
| 3-4% | 8 | 7 | 8 | 7 | 7 | 7 | 8 | 7 | 6 | 8 | 8 | 7 | 11 |
| 5% | 11 | 9 | 10 | 9 | 10 | 12 | 10 | 12 | 11 | 12 | 13 | 12 | 11 |
| 6-9% | 11 | 9 | 13 | 12 | 15 | 12 | 11 | 14 | 11 | 14 | 11 | 12 | 12 |
| 10-14% | 20 | 20 | 22 | 22 | 18 | 16 | 17 | 17 | 22 | 14 | 13 | 14 | 12 |
| 15% or more | 9 | 14 | 11 | 10 | 10 | 11 | 13 | 12 | 11 | 8 | 8 | 7 | 11 |
| DK how much up | 11 | 8 | 7 | 4 | 7 | 5 | 5 | 5 | 6 | 3 | 4 | 5 | 2 |
| DK,NA | 2 | 2 | 2 | 1 | * | 3 | 1 | 1 | 2 | 2 | 2 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 7.0 | 8.1 | 7.6 | 6.7 | 6.7 | 6.8 | 7.5 | 7.3 | 7.6 | 5.7 | 5.6 | 5.5 | 6.0 |
| VARIANCE | 57 | 97 | 79 | 62 | 70 | 70 | 91 | 71 | 84 | 62 | 59 | 59 | 85 |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

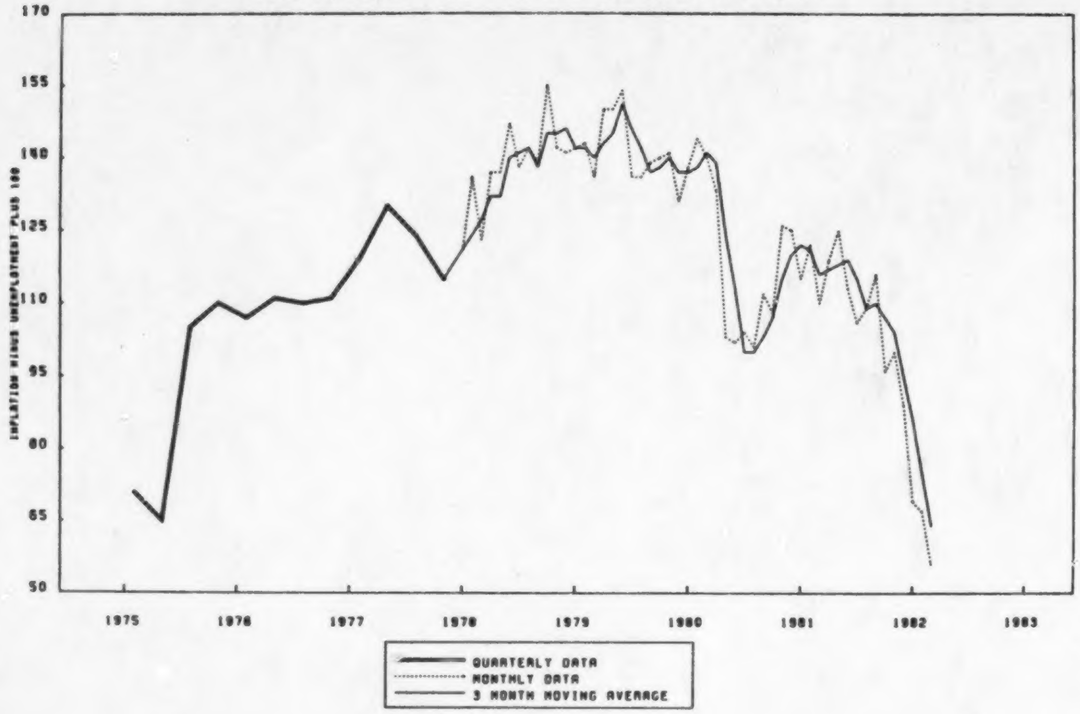
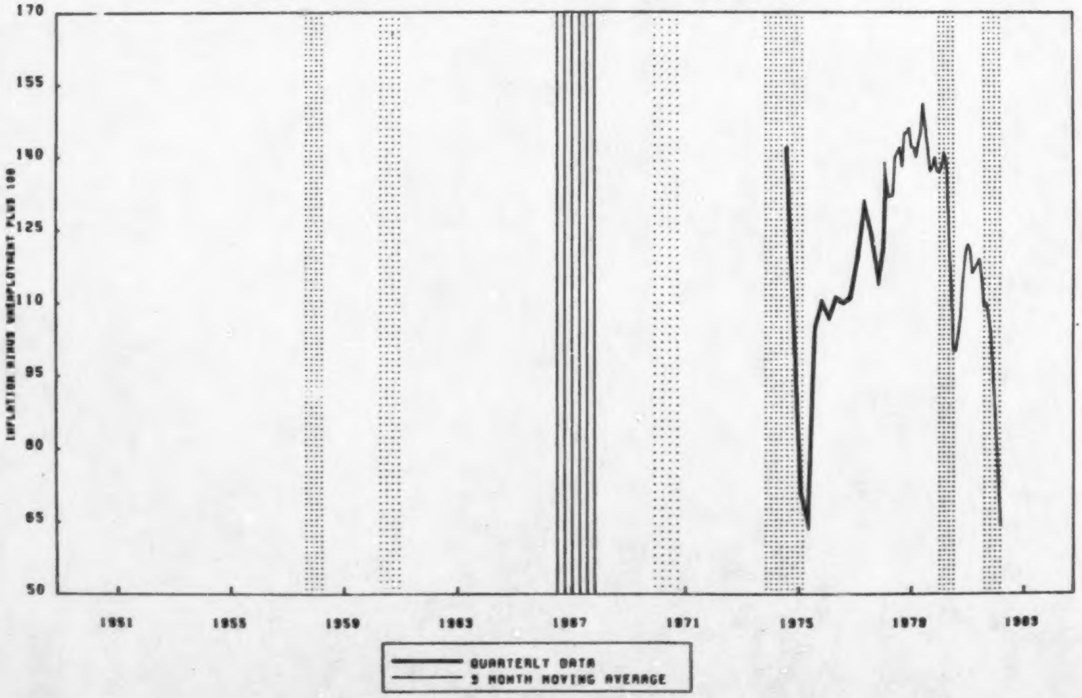


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS



## TABLE 24

## UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 39% | 35% | 33% | 36% | 42% | 39% | 37% | 45% | 43% | 49% | 60% | 59% | 66% |
| BOTH EQUALLY SERIOUS | 11 | 8 | 8 | 14 | 9 | 11 | 9 | 12 | 13 | 11 | 10 | 14 | 11 |
| INFLATION | 49 | 54 | 58 | 49 | 48 | 48 | 53 | 41 | 43 | 38 | 29 | 26 | 22 |
| DK,NA | 1 | 3 | 1 | 1 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

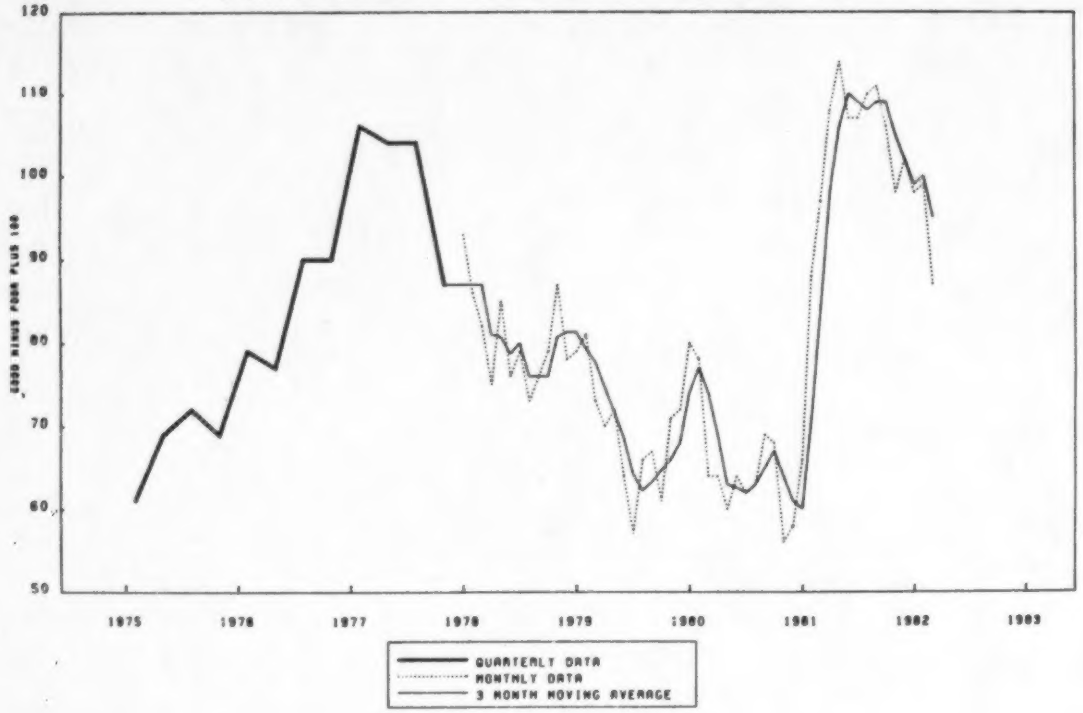
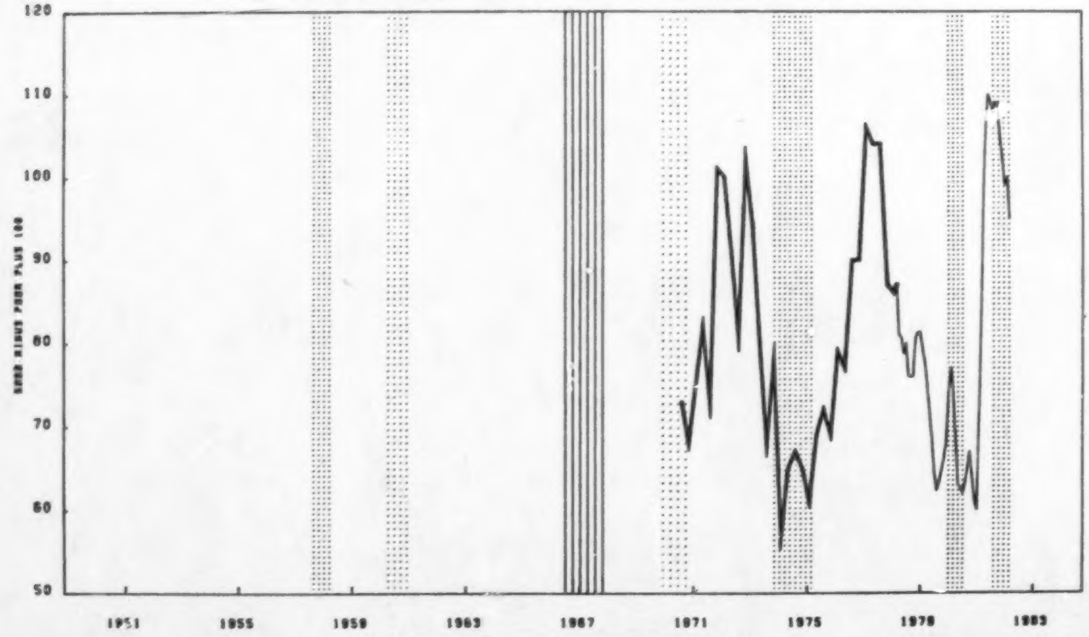


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 22% | 28% | 30% | 25% | 28% | 31% | 31% | 31% | 23% | 26% | 25% | 27% | 18% |
| ONLY FAIR | 45 | 47 | 49 | 54 | 47 | 44 | 45 | 41 | 49 | 47 | 46 | 42 | 48 |
| A POOR JOB | 25 | 20 | 16 | 18 | 21 | 21 | 20 | 25 | 25 | 24 | 27 | 28 | 31 |
| DK,NA | 8 | 5 | 5 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

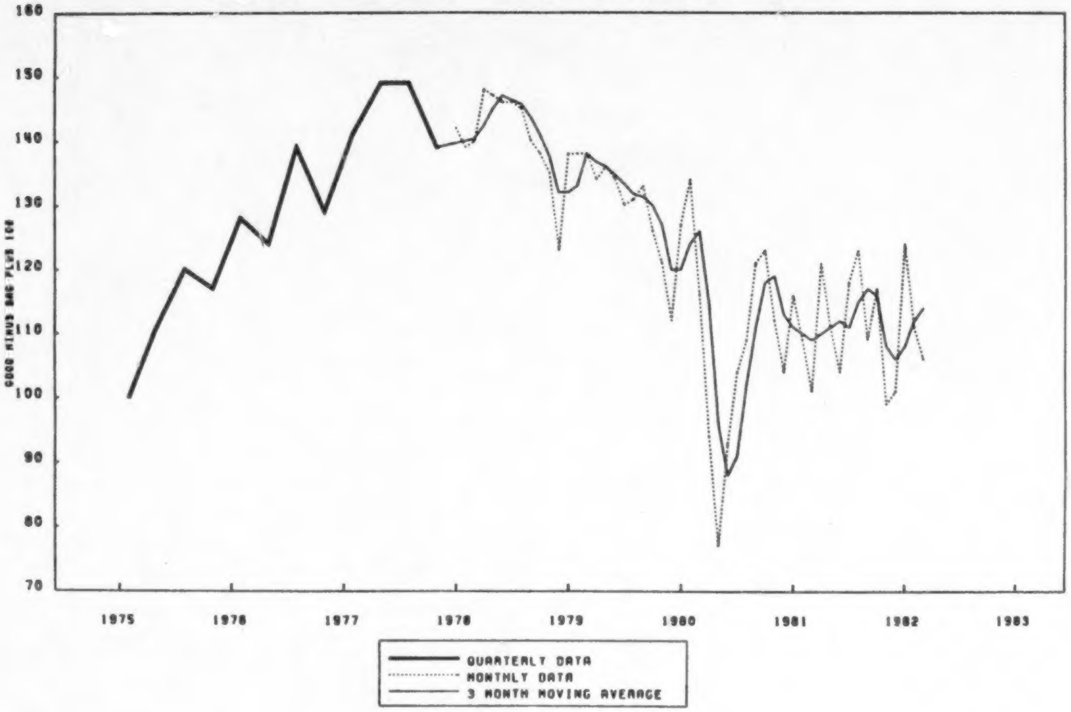
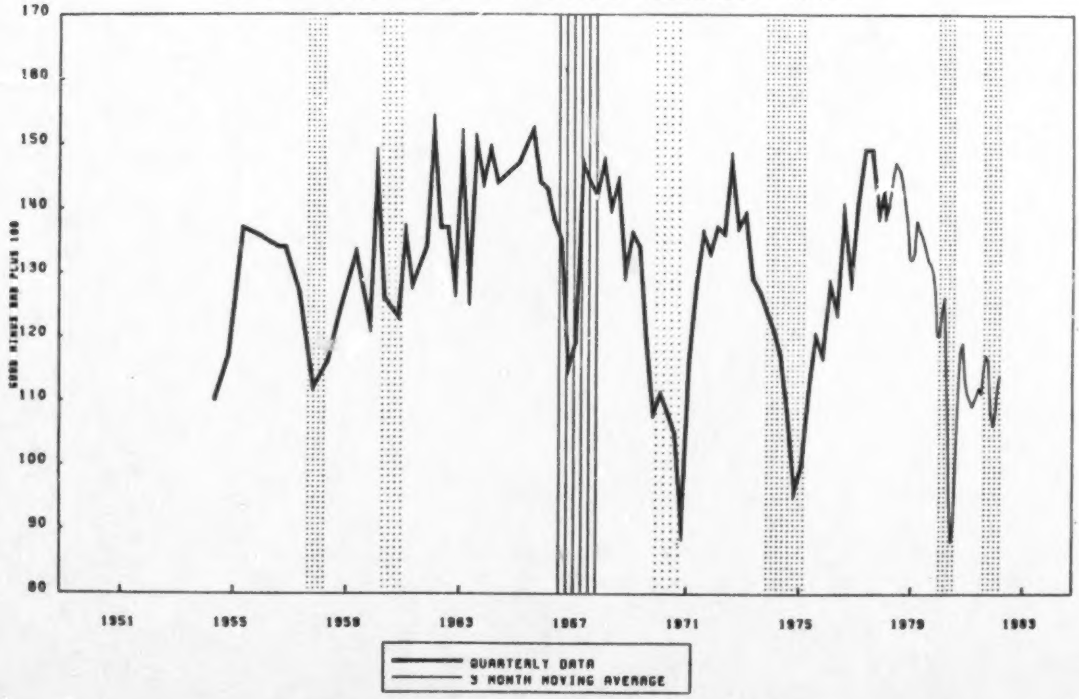


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## TABLE 26

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 43% | 54% | 50% | 44% | 53% | 55% | 44% | 52% | 43% | 44% | 57% | 48% | 48% |
| UNCERTAIN, DEPENDS | 15 | 13 | 11 | 16 | 12 | 13 | 21 | 13 | 13 | 13 | 10 | 15 | 10 |
| BAD TIME TO BUY | 42 | 33 | 39 | 40 | 35 | 32 | 35 | 35 | 44 | 43 | 33 | 37 | 42 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

## TABLE 27

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 22% | 21% | 16% | 20% | 24% | 24% | 20% | 21% | 19% | 26% | 32% | 30% | 32% |
| Prices won't come down; are going higher | 23 | 31 | 30 | 23 | 27 | 26 | 21 | 25 | 20 | 21 | 22 | 18 | 15 |
| Interest rates low; credit is easy | 1 | 2 | 3 | 1 | 2 | 3 | 1 | 1 | 2 | 2 | 3 | 2 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 23 | 19 | 25 | 22 | 23 | 17 | 21 | 19 | 25 | 26 | 17 | 22 | 22 |
| Interest rates are high; credit is tight | 22 | 17 | 18 | 23 | 17 | 21 | 21 | 17 | 23 | 21 | 18 | 19 | 24 |
| Lack of purchasing power | 16 | 12 | 9 | 13 | 8 | 7 | 9 | 11 | 12 | 15 | 13 | 15 | 18 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

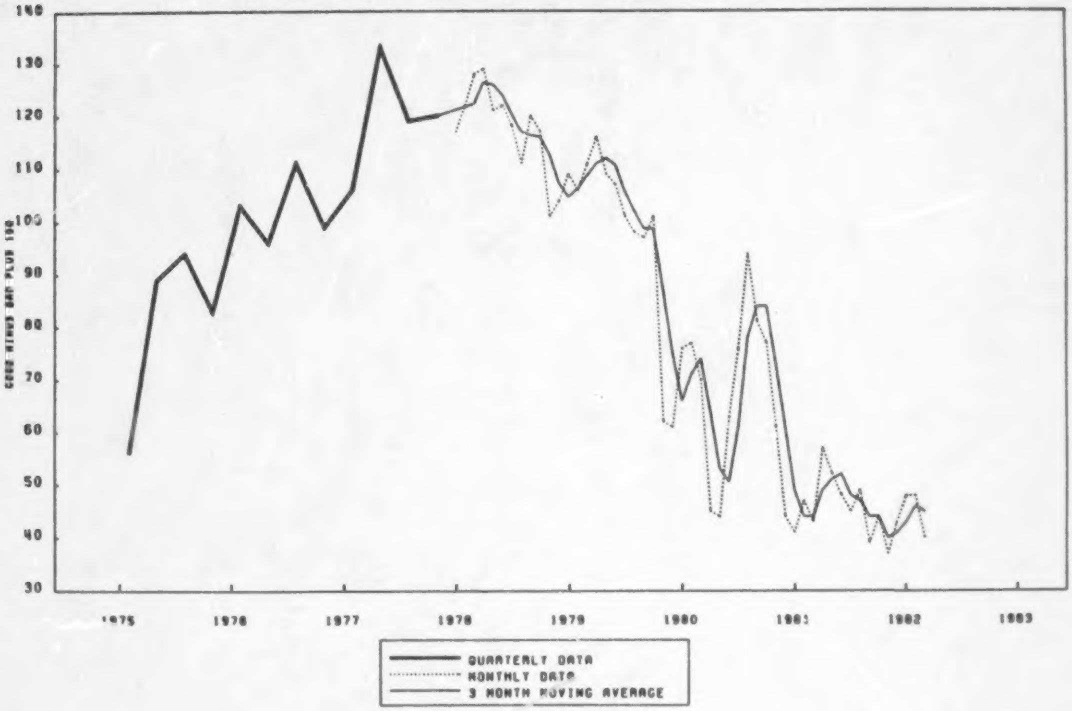
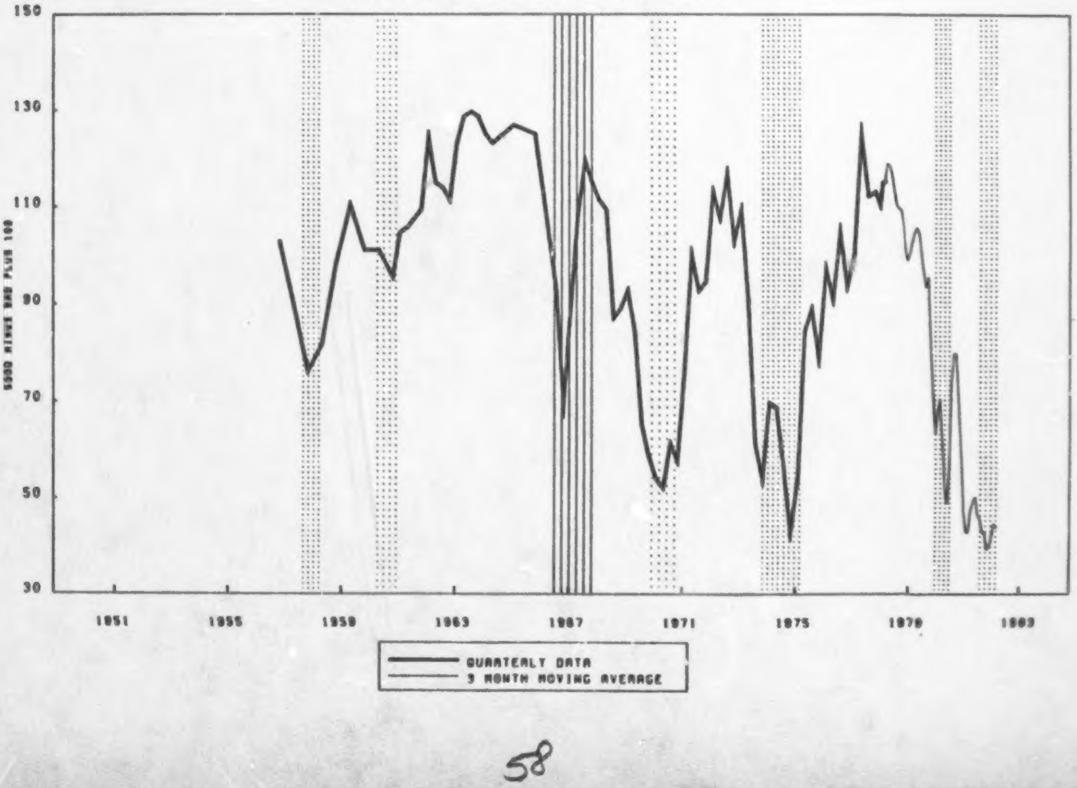


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



## TABLE 28

## BUYING CONDITIONS FOR HOUSES

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 20% | 26% | 24% | 20% | 20% | 21% | 15% | 18% | 16% | 19% | 21% | 21% | 17% |
| UNCERTAIN, DEPENDS | 3 | 5 | 4 | 8 | 5 | 7 | 9 | 8 | 5 | 5 | 6 | 6 | 6 |
| BAD TIME TO BUY | 77 | 69 | 72 | 72 | 75 | 72 | 76 | 74 | 79 | 76 | 73 | 73 | 77 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 634 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

## TABLE 29

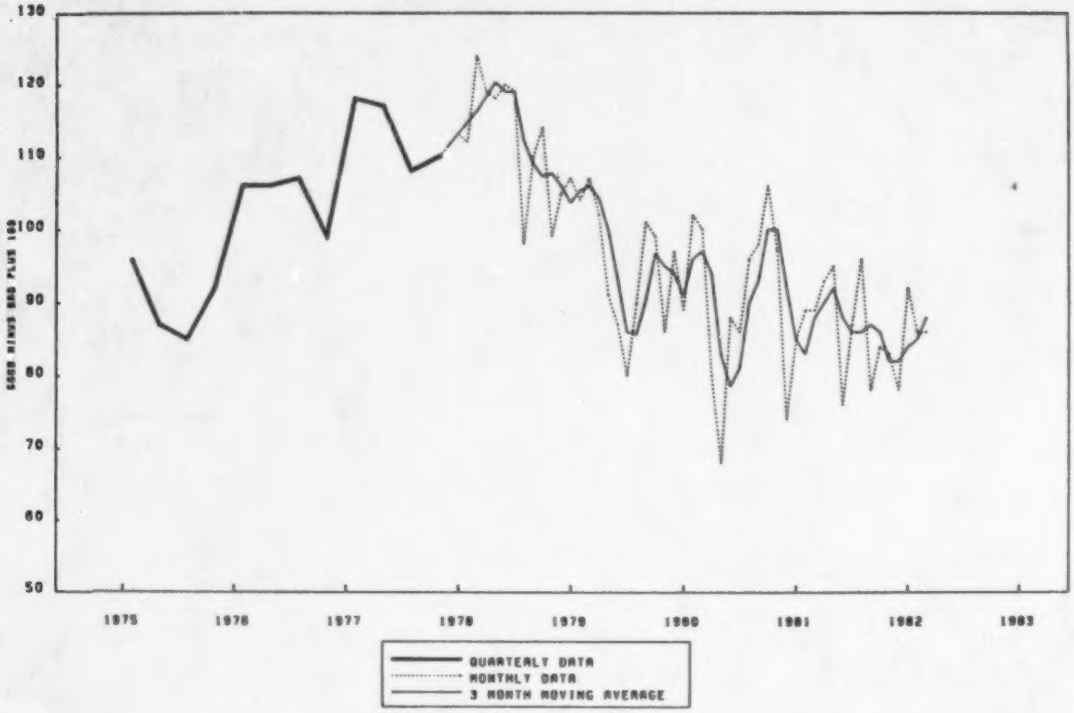
## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 4% | 5% | 5% | 5% | 5% | 6% | 5% | 7% | 7% | 12% | 13% | 11% | 13% |
| Prices won't come down; are going higher | 9 | 12 | 10 | 10 | 10 | 10 | 7 | 9 | 7 | 7 | 5 | 5 | 7 |
| Interest rates low; credit is easy | 5 | 9 | 7 | 5 | 6 | 8 | 6 | 4 | 4 | 6 | 8 | 7 | 4 |
| Good investment | 7 | 8 | 6 | 6 | 7 | 5 | 4 | 3 | 5 | 3 | 5 | 6 | 4 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 32 | 30 | 28 | 30 | 30 | 23 | 30 | 27 | 24 | 27 | 28 | 24 | 25 |
| Interest rates are high; credit is tight | 76 | 66 | 71 | 71 | 71 | 76 | 80 | 78 | 83 | 81 | 72 | 76 | 78 |
| Lack of purchasing power | 13 | 12 | 11 | 13 | 12 | 11 | 15 | 11 | 17 | 21 | 22 | 19 | 23 |

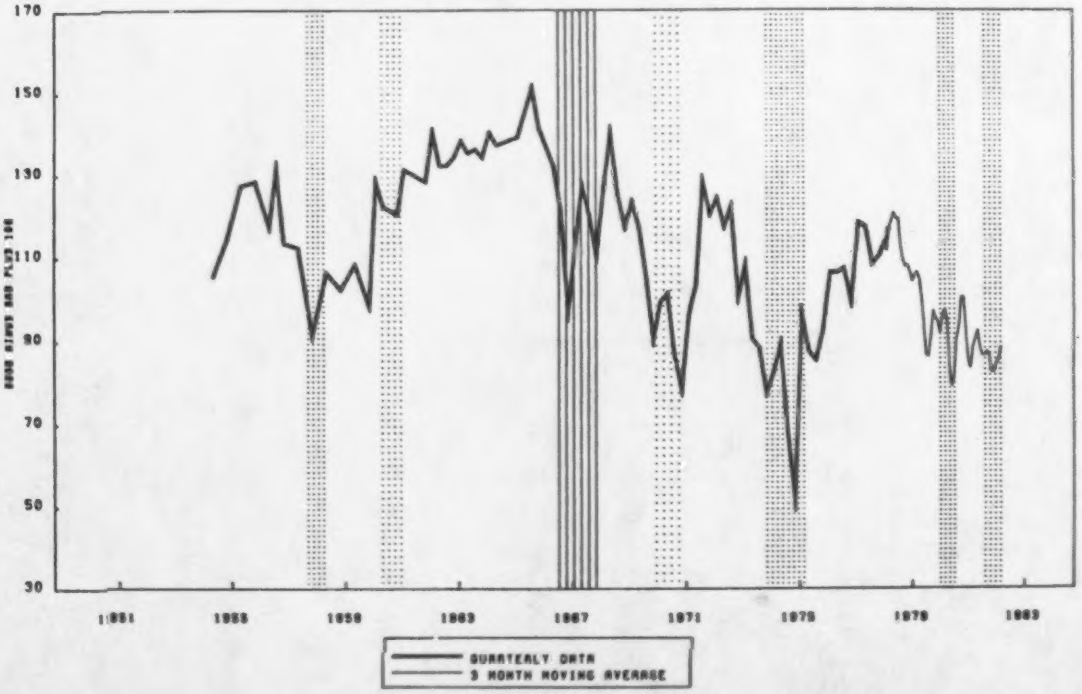
Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

## CHART 30 - RECENT CHANGES
## BUYING CONDITIONS FOR CARS



## CHART 30 - HISTORICAL SERIES
## BUYING CONDITIONS FOR CARS



## TABLE 30

## BUYING CONDITIONS FOR CARS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 39% | 42% | 44% | 33% | 40% | 43% | 34% | 37% | 37% | 34% | 41% | 37% | 39% |
| UNCERTAIN; DEPENDS | 11 | 9 | 7 | 10 | 7 | 10 | 10 | 10 | 9 | 10 | 10 | 12 | 8 |
| BAD TIME TO BUY | 50 | 49 | 49 | 57 | 53 | 47 | 56 | 53 | 54 | 56 | 49 | 51 | 53 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

## TABLE 31

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 30% | 25% | 23% | 14% | 17% | 19% | 14% | 20% | 21% | 22% | 29% | 33% | 37% |
| Prices won't come down; are going higher | 10 | 19 | 15 | 12 | 18 | 18 | 15 | 14 | 12 | 12 | 11 | 6 | 8 |
| Interest rates low; credit is easy | 2 | 3 | 4 | 2 | 3 | 5 | 6 | 4 | 5 | 5 | 6 | 3 | 3 |
| New fuel efficient models | 6 | 4 | 5 | 5 | 5 | 4 | 4 | 2 | 1 | 1 | 2 | 2 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 34 | 31 | 33 | 34 | 33 | 26 | 30 | 36 | 32 | 37 | 31 | 33 | 32 |
| Interest rates are high; credit is tight | 21 | 22 | 17 | 28 | 25 | 26 | 31 | 29 | 26 | 27 | 26 | 28 | 30 |
| Lack of purchasing power | 10 | 8 | 6 | 6 | 6 | 5 | 8 | 7 | 8 | 13 | 13 | 12 | 16 |
| Price of gas; shortages | 6 | 5 | 3 | 2 | 3 | 4 | 3 | 1 | 2 | 2 | 2 | 2 | 1 |
| Poor selection; quality | 9 | 8 | 10 | 9 | 11 | 8 | 9 | 8 | 10 | 9 | 8 | 9 | 7 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 14% | 15% | 17% | 17% | 14% | 19% | 17% | 14% | 19% | 19% | 16% | 17% | 14% |
| CHANCES ARE EVEN | 6 | 8 | 9 | 8 | 7 | 7 | 3 | 7 | 6 | 7 | 8 | 7 | 7 |
| PROBABLY WILL NOT BUY | 67 | 65 | 63 | 66 | 64 | 59 | 67 | 70 | 66 | 64 | 67 | 68 | 70 |
| DK,NA | 13 | 12 | 11 | 9 | 15 | 15 | 13 | 9 | 9 | 10 | 9 | 8 | 9 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 703 | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 20% | 23% | 26% | 25% | 21% | 26% | 20% | 21% | 25% | 26% | 24% | 24% | 21% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 9 | 11 | 11 | 10 | 9 | 12 | 9 | 10 | 11 | 11 | 9 | 11 | 11 |
| Buy used | 9 | 10 | 12 | 11 | 9 | 11 | 9 | 9 | 12 | 13 | 13 | 11 | 9 |
| Lease | 1 | 1 | 1 | 2 | 2 | 2 | 1 | 1 | * | 1 | 1 | 1 | * |
| DK,NA | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 1 | 5 | 5 | 2 | 5 | 3 | 2 | 4 | 2 | 1 | 5 | 3 | 1 |
| Next 4-6 months | 4 | 8 | 5 | 7 | 6 | 7 | 4 | 6 | 6 | 5 | 7 | 6 | 5 |
| Next 7-9 months | 5 | 5 | 7 | 7 | 2 | 3 | 5 | 3 | 8 | 10 | 6 | 7 | 5 |
| 10 months or more | 5 | 2 | 3 | 5 | 3 | 7 | 5 | 4 | 4 | 6 | 3 | 5 | 6 |
| DK,NA | 5 | 3 | 6 | 4 | 5 | 6 | 4 | 4 | 5 | 4 | 3 | 3 | 4 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

| | Mar. 1981 | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 67% | 65% | 63% | 66% | 64% | 59% | 67% | 70% | 66% | 64% | 67% | 68% | 70% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 34 | 39 | 37 | 37 | 35 | 34 | 33 | 38 | 34 | 33 | 36 | 37 | 38 |
| Would buy used | 28 | 24 | 25 | 27 | 27 | 23 | 31 | 29 | 29 | 29 | 30 | 28 | 31 |
| DK,NA | 5 | 2 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 2 | 1 | 3 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 6 | 9 | 6 | 5 | 4 | 7 | 5 | 5 | 7 | 6 | 7 | 5 | 10 |
| 2 years | 23 | 19 | 22 | 20 | 19 | 18 | 23 | 20 | 18 | 22 | 23 | 22 | 22 |
| 3 years | 9 | 9 | 10 | 11 | 11 | 10 | 10 | 11 | 8 | 9 | 12 | 11 | 11 |
| 4 years or more | 19 | 22 | 15 | 20 | 18 | 18 | 21 | 24 | 19 | 19 | 19 | 22 | 21 |
| Indefinite | 3 | 3 | 4 | 5 | 5 | 1 | 2 | 4 | 4 | 3 | 3 | 1 | 1 |
| DK,NA | 7 | 3 | 6 | 5 | 7 | 5 | 6 | 6 | 10 | 5 | 3 | 7 | 5 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

## DESCRIPTION OF CHART LINES

| | |
|---|---|
| QUARTERLY DATA: | Data collected by surveys conducted at three-month intervals before 1978. |
| MONTHLY DATA: | Data collected by surveys conducted each month since January of 1978. |
| THREE-MONTH MOVING AVERAGE: | Each point plotted represents the average of the three monthly observations ending at the date plotted. |

## TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

| | | | | | |
|---|---|---|---|---|---|
| DATES: | November | 1948 | - | October | 1949 |
| | July | 1953 | - | May | 1954 |
| | August | 1957 | - | April | 1958 |
| | April | 1960 | - | February | 1961 |
| | June | 1966 | - | November | 1967* |
| | December | 1969 | - | November | 1970 |
| | November | 1973 | - | March | 1975 |
| | January | 1980 | - | July | 1980 |
| | July | 1981 | - | | |

Notes:

| | |
|---|---|
| RECESSION PERIOD: | Reduction in the national output of goods and services, generally lasting at least two quarters. |
| *GROWTH RECESSION: | Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession). |

# EXPLANATORY CHARTS

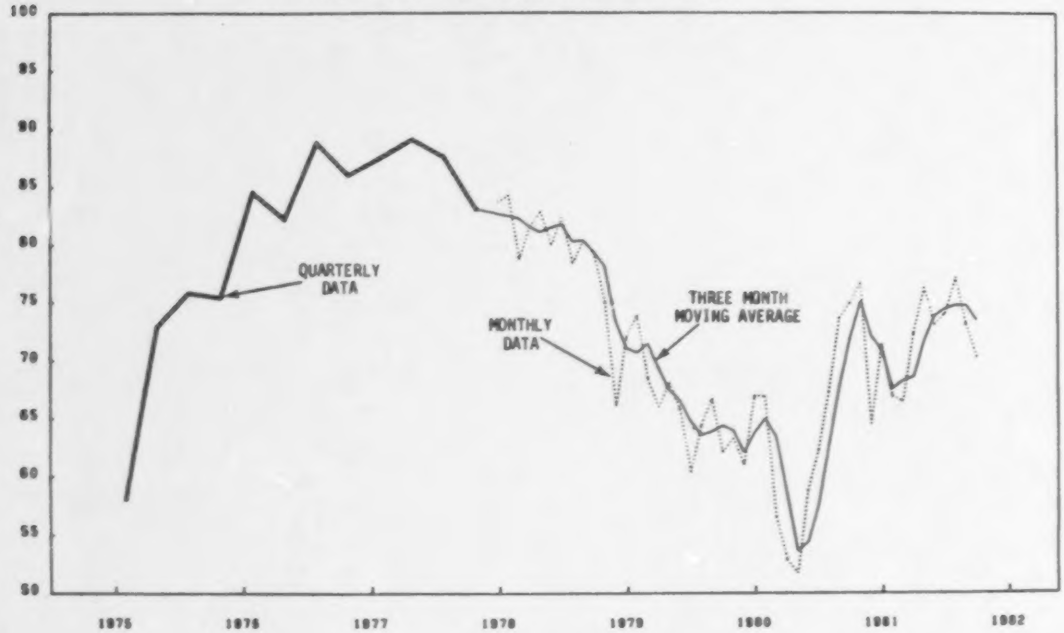


CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

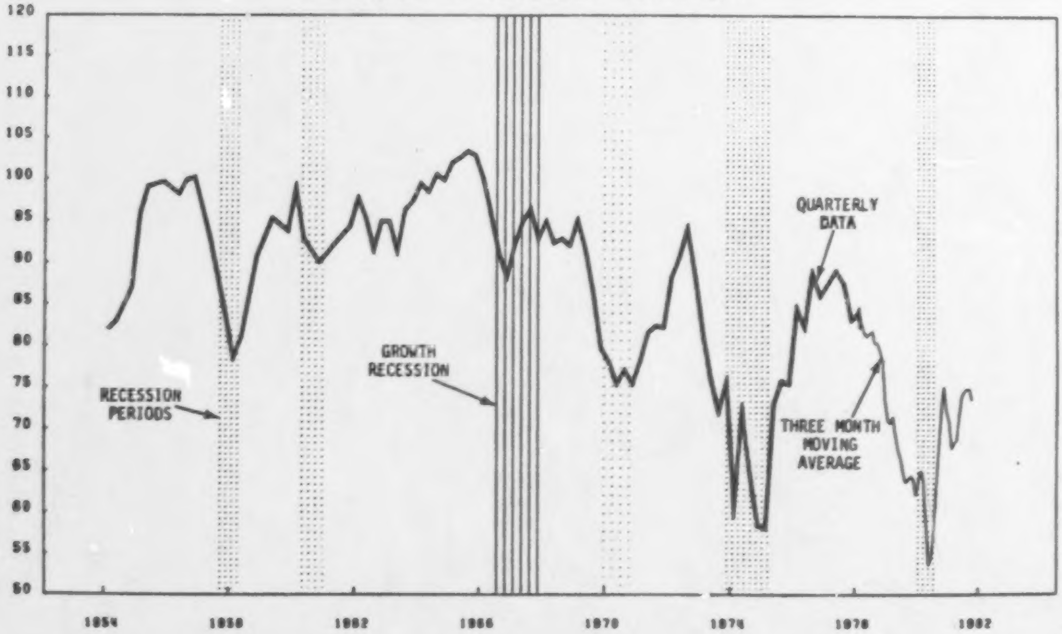


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

APR 6 1982

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April 2, 1982

MARCH 1982 MONTHLY REPORT

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## SPREADING UNEMPLOYMENT CLOUDS CONFIDENCE IN GOVERNMENT

** In the March 1982 survey, the Index of Consumer Sentiment was 62.0, which represents a decline of 4.5 Index points from one month and one year earlier. Greatly heightened concern about spreading unemployment and lessened confidence in government economic policies have resulted in a more pressimistic outlook for the economy as a whole.

** Among families with incomes of $20,000 or more, the Index was 67.0 in the March survey, a decline of 4.5 Index points from one month earlier, and 5.1 Index points below one year earlier.

** Consumer evaluations of their financial situation were less favorable in the March survey due to more frequent income declines during the past year and smaller income increases expected during the year ahead.

** Unemployment was the dominant economic concern expressed in the March 1982 survey. Nearly half (46 percent) of all consumers mentioned that they had heard news of recent increases in unemployment, and just over half expected unemployment to increase above its current high levels in the year ahead (54 percent). As these expectations are coupled with declines in price expectations, consumers now view unemployment rather than inflation as the more serious economic problem facing the nation by the widest margin recorded since this question was introduced in the early 1970s (66 versus 22 percent).

** Confidence in government economic policies to reduce inflation and unemployment fell to its lowest level since the start of the Reagan administration. Among all families 31 percent rated economic policies unfavorably compared with 18 percent that gave favorable policy ratings.

** On balance attitudes toward buying conditions remained at depressed levels in the March 1982 survey due to high interest rates, despite much more favorable views toward current prices. More families now cite the appeal of low prices rather than the aversion to high prices when asked to evaluate the vehicle and household durables market--a rare occurrance during the past several decades. Offsetting the appeal of low prices, near record numbers of consumers continued to mention high interest rates in the March 1982 survey.

** Interest rate expectations improved in the March survey from one month earlier, with 39 percent that expected interest rate declines during the year ahead, up from 29 percent in February 1982. Nonetheless, 58 percent expected interest rates to remain at their same high current levels or to increase further during the year ahead.

Monitoring Economic Change Program
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## Unemployment Dominant Concern

Since the start of 1982 consumers have become increasingly aware of unfavorable developments in business conditions. In the March 1982 survey, nearly three-in-four consumers reported that they had heard news of recent developments, with more than five times as many unfavorable as favorable changes reported. Unemployment is the dominant development heard and recalled in the March 1982 survey. Among all respondents, 46 percent mentioned news of increasing unemployment, up from just 19 percent one year earlier. The proportion of families that thought business conditions had worsened during the past year rose to 87 percent in the March 1982 survey, up from 80 percent one month earlier, and 67 percent one year earlier. This figure is just below the all-time record level of 90 percent recorded in the May and June 1980 surveys.

Despite the high current level of unemployment, the majority of respondents (54 percent) in the March 1982 survey expected unemployment to increase further during the year ahead. This heightened concern with spreading unemployment has been recorded during each of the past six months. When asked whether unemployment or inflation represented the more serious economic hardship facing the nation, three times as many respondents indicated unemployment rather than inflation (66 versus 22 percent). This represents the widest margin of concern with unemployment compared with inflation recorded since the early 1970's.

## Confidence in Government Economic Policies Declines

Prospects for future business conditions were less favorable in the March 1982 survey than one month or one year earlier. Among all families, only a small margin of favorable opinion was recorded in the March 1982 survey (29 versus 27 percent): The most frequent expectation was that business conditions would remain on balance unchanged during the year ahead (42 percent). When asked why they thought business conditions would improve or worsen, spontaneous favorable references to government economic policies were significantly reduced and offset by unfavorable references. In the March 1982 survey, the proportion of respondents that made favorable references to government economic policies fell to 13 percent, from 19 percent in February, and 32 percent in March 1981. Unfavorable references to government economic policies rose from 9 to 13 percent during the past year. Consequently, as many respondents made favorable as unfavorable references to government economic policies by March 1982 (13 percent).

In the March 1982 survey overall confidence in government economic policies to reduce inflation and unemployment fell to its lowest level under the Reagan administration. Among all families, 31 percent thought that the government was doing a poor job, compared with just 18 percent that thought the government was doing a good job. The March 1982 reading was nearly equal to the February 1981 reading, thus reversing the entire improvement recorded since Reagan entered office--confidence had reached a peak of 30 percent good versus 16 percent poor in May 1981.

Although improvement rather than deterioration in business conditions was somewhat more frequently expected, few respondents expected good financial times for the economy as a whole. In fact, almost three in four respondents expected bad times financially during the next 12 months (73 percent). Since the start of 1982, the proportion that expected good times financially during the next 12 months fell from 30 percent in January to 23 percent in February and 17 percent in March 1982. This bleak view of expected business conditions has been exceeded only during the recession lowpoints of 1975 and 1980. Long term business expectations aslo became less favorable in early 1982, but the decline was not as steep. The proportion that expected good times financially in the economy as a whole during the next five years fell from 28 percent in January to 24 percent in February and 22 percent in March 1982. Bad financial times over the longer term were expected by 62 percent of all families in March 1982, up from 58 percent at the start of the year.

## High Interest Rates Offset Appeal of Low Prices

Attitudes toward market conditions for cars, houses, and household durables have remained largely unchanged at depressed levels throughout the past year. Despite the lack of any overall change in buying attitudes, the reasons underlying these attitudes have significantly shifted during the past year. In the March 1982 survey, the proportion of respondents that mentioned the appeal of low prices and the availability of good buys when asked to evaluate market conditions for household durables rose to 32 percent from 22 percent one year earlier. The frequency during the first three months of 1982 of references to low prices with regard to household durables was higher than at any time during the past two decades. When asked to evaluate market conditions for vehicles, 37 percent mentioned price discounts and rebates in the March 1982 survey, up from 30 percent in March 1981. This represents the highest frequency of references to low prices in the automobile market since the February 1975 survey--when rebates were first introduced and widely used to promote sales. Overall, more families referred to low prices rather than high prices when asked to evaluate either the household durable or vehicles markets in the March 1982 survey, a sharp contrast to prior years.

Despite the increasing appeal of low prices, overall improvement in buying attitudes has been blocked by high interest rates. In the March 1982 survey, 30 percent of all respondents mentioned high interest rates with regard to vehicle purchases, just below the all time record level of 31 percent recorded in September 1981. Unfavorable references to high interest rates were made by 78 percent of all respondents when asked to evaluate buying conditions for houses, just below the record level of 83 percent recorded in November 1981. With regard to the durable goods market, 24 percent mentioned high interest rates in March 1982, up from 22 percent one year earlier.

As a result of these trends, the lack of overall improvement in buying attitudes may understate potential growth in non-credit sales, and indicates that reductions in interest rates could rapidly lead to improved sales since buying attitudes are otherwise favorable.

## Outlook for Personal Finances: Lower Prices and Lower Incomes

Consumers in the March 1982 survey more often reported that their financial situation had worsened rather than improved during the past year (42 versus 31 percent). This reading is similar to the level recorded in March 1981, thus reversing the modest improvement recorded in mid-1981. When asked to explain how their financial situation had changed, fewer respondents singled out inflation (30, down from 40 percent one year earlier), and respondents more frequently mentioned income declines (22, up from 17 percent). Reports of declines in family income in the March 1982 survey were the highest recorded in more than a decade.

Consumers in March 1982 somewhat more frequently expected to be better rather than worse off financially during the year ahead (27 versus 21 percent). But this favorable balance of opinion is much less optimistic than the two-to-one margin recorded at mid-year 1981. Rather than improving or deteriorating, almost half of all respondents expected their financial situation on balance to remain the same during the year ahead in the March 1982 survey (48 percent).

Income expectations posted their first significant decline in more than two years in the March 1982 survey. Among all families, 43 percent expected their nominal income to remain unchanged or decline in the year ahead, up from 38 percent one month earlier, and 33 one year earlier. Overall, the median expected income change declined from 5.0% to 3.3% from February to March 1982.

The use of saving or debt to make new major purchases was viewed with disfavor in the March 1982 survey--unchanged from year earlier readings. Among all families, 68 percent reported that they were reluctant to draw on savings to make large purchases, compared with 30 percent that said thev were not reluctant to use savings. When asked about their readiness to use credit to finance new purchases, just 13 percent of all families in the March 1982 survey reported that they were not reluctant to use credit, while 86 percent reported that they were reluctant to incur new debt. Overall, consumers expressed greater reluctance to draw on savings or incur new debt to finance purchases in early 1982 than in the prior two years (see Table A ).

When asked about their reasons for saving, the most frequent response given in the March 1982 survey was to provide reserve funds in case of emergencies and for security against economic setbacks. The next most common reasons for savings involved reitirement (22 percent) and education of children (12 percent). Overall, the purposes of savings recorded in March 1982 were nearly identical to those recorded 10 years earlier (see Table B ).

## Price Expectations: Revised Estimates

During the past several years price expectations have declined considerably, and by early 1982 one-in-three respondents expected prices to remain unchanged or decline during the year ahead. Although the questionnaire wording refers to changes in the level of prices, some respondents could misinterpret the question as referring to the rate of inflation. In this event, a "same" response would not indicate a zero rate of increase, but the perceived past rate of inflation. The net effect would be to bias downward the estimated overall mean rate of expected inflation. Because of the greatly increased frequency of "same" responses in recent months, the March 1982 survey specifically probed respondents that initially gave "same" responses as to whether they meant the rate or the level of prices would remain the same. Of the 31 percent that initially reported "same" responses, 22 percent replied that they meant prices would remain at the same level, but 9 percent replied that they meant prices would increase at the same rate (see Table C). Consequently, the estimated proportion of families that expected price increases rose from 57 to 66 percent following the use of this probe.

When respondents were probed for the percentage rate that they meant by the "same rate," the extent of bias in the estimated mean price increases due to the misinterpretation of "same" responses was +0.7 percentage points in the March 1982 survey (5.3% mean increase when initial "same" responses were coded as a zero rate of inflation versus 6.0%). The extent of the potential bias is dependent on the overall frequency of "same" responses. For example, in March 1979 only 3 percent reported that they expected prices to remain "the same," while the March 1982 survey recorded 31 percent "same" responses, a level exceeded in only one other survey during the past 20 years. Consequently, the bias in estimated means is unlikely to exceed 1.0 percentage points.

Preliminary adjustments to the surveys conducted prior to March 1982 were estimated as follows: the ratio of "same rate" to "same level" responses observed in March 1982 was used to estimate the proportion of "same rate" responses in earlier surveys. The estimated proportion of "same rate" responses were then recoded from a zero rate of inflation to the mean percentage response among those that expected price increases. As shown in Table D, the new estimated mean was only 0.1 percentage points higher in the March 1979 survey, but has averaged between 0.6 and 0.8 percentage points during the past year.

The March 1982 survey included 684 interviews conducted between February 25th and March 24th.

## TABLE A

## OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS CREDIT FOR MAJOR PURCHASES

| | Saving | | | Credit | | |
|---|---|---|---|---|---|---|
| | Feb. 1980 | Mar. 1981 | Mar. 1982 | Feb. 1980 | Mar. 1981 | Mar. 1982 |
| OK to use; not especially reluctant | 38% | 30% | 30% | 19% | 12% | 13% |
| Pro-con | 1 | 1 | 2 | 1 | * | * |
| Not OK to use; especially reluctant | 54 | 67 | 68 | 80 | 86 | 86 |
| DK; NA | 7 | 2 | * | * | 2 | 1 |
| Total | 100% | 100 | 100% | 100% | 100% | 100% |
| Cases | 901 | 703 | 684 | 901 | 703 | 684 |

---

The questions were: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?" "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

## TABLE B

## REASONS FOR SAVING

| Reasons for Saving | Aug-Sept 1972 | March 1982 |
|---|---|---|
| Security, emergencies | 40% | 40% |
| Retirement | 23 | 22 |
| Education | 13 | 12 |
| Home down payment | 13 | 3 |
| Durables, vehicles | | 7 |
| Travel, vacations | | 4 |
| Other reasons | 6 | 7 |

---

The question was: "People have different reasons for saving. What are your main purposes for saving?" "Anything else?"

## TABLE C

## SHORT TERM PRICE EXPECTATIONS, MARCH 1981

| Expect Prices During Next Year to ... | |
|---|---|
| Increase | 57% |
| Same rate | 9 |
| Same level | 22 |
| Go down | 10 |
| DK; NA | 2 |
| Total | 100% |

---

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" (IF SAME) "Do you mean that prices will go up at the same rate as now, or that prices in general will not go up during the next 12 months?" (IF UP/DOWN OR SAME RATE) "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

## TABLE D

## SHORT TERM PRICE EXPECTATIONS

| Survey Dates | | Old Series | New Preliminary Estimates | Difference |
|---|---|---|---|---|
| March | 1979 | 9.7 | 9.8 | 0.1 |
| March | 1980 | 12.0 | 12.4 | 0.4 |
| March | 1981 | 7.0 | 7.5 | 0.5 |
| April | 1981 | 8.1 | 8.8 | 0.7 |
| May | 1981 | 7.6 | 8.2 | 0.6 |
| June | 1981 | 6.6 | 7.3 | 0.6 |
| July | 1981 | 6.7 | 7.4 | 0.7 |
| August | 1981 | 6.5 | 7.1 | 0.6 |
| September | 1981 | 7.5 | 8.3 | 0.8 |
| October | 1981 | 7.2 | 7.9 | 0.7 |
| November | 1981 | 7.7 | 8.4 | 0.7 |
| December | 1981 | 5.6 | 6.3 | 0.7 |
| January | 1982 | 5.4 | 6.2 | 0.8 |
| February | 1982 | 5.3 | 6.1 | 0.8 |
| March | 1982 | 5.3 | 6.0 | 0.7 |

# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

APRIL 1982

/ U 7475-2 (A)

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

**Institute for Social Research**

# TABLES AND CHARTS

## APRIL 1982

The April 1982 survey is the 163rd in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
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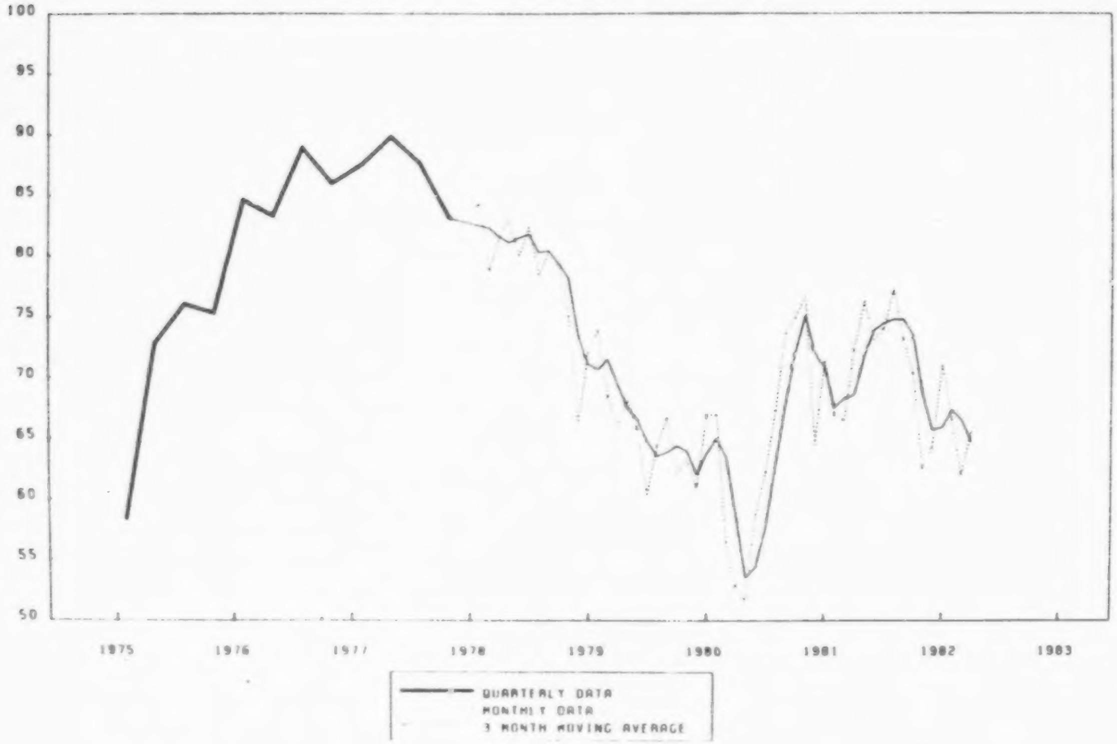

CHART 1 - HISTORICAL SERIES
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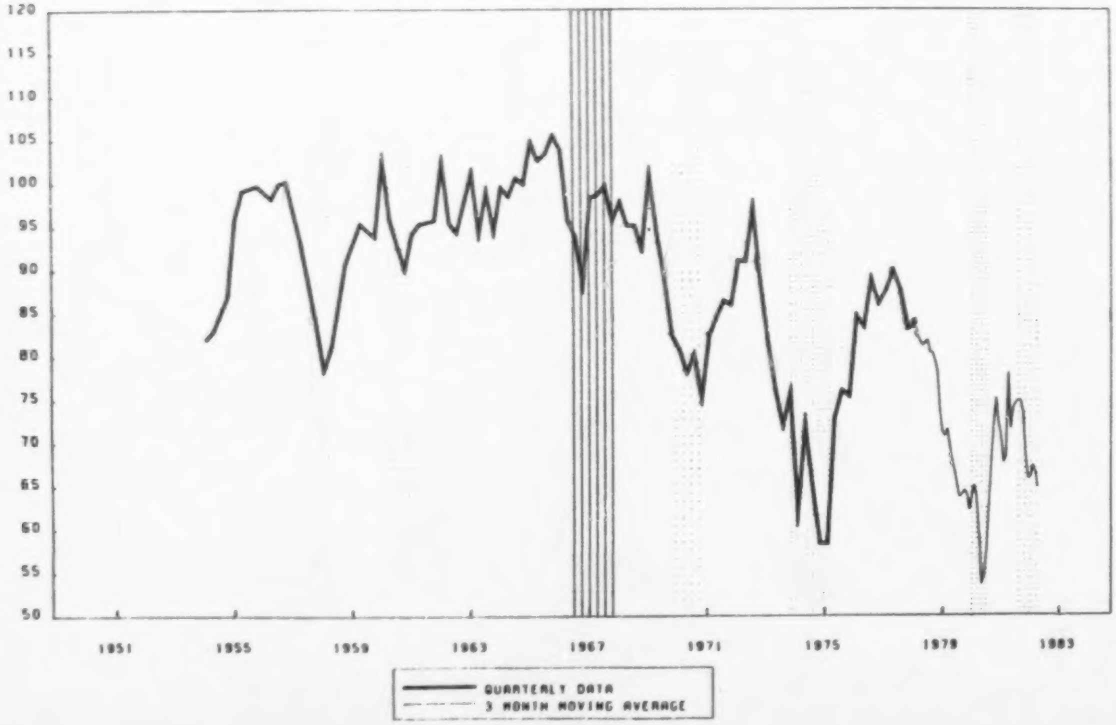


## TABLE 1

## THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|---|
| April | 1979 | 66.0 | 73.7 | 77.0 |
| May | 1979 | 68.1 | 73.5 | 76.7 |
| June | 1979 | 65.8 | 71.8 | 72.9 |
| July | 1979 | 60.4 | 67.2 | 68.0 |
| August | 1979 | 64.5 | 70.0 | 71.3 |
| September | 1979 | 66.7 | 71.6 | 74.4 |
| October | 1979 | 62.1 | 65.6 | 65.5 |
| November | 1979 | 63.3 | 68.3 | 69.9 |
| December | 1979 | 61.0 | 66.2 | 73.2 |
| January | 1980 | 67.0 | 70.8 | 70.9 |
| February | 1980 | 66.9 | 70.8 | 73.5 |
| March | 1980 | 56.5 | 62.3 | 64.5 |
| April | 1980 | 52.7 | 54.2 | 57.2 |
| May | 1980 | 51.7 | 55.2 | 53.3 |
| June | 1980 | 58.7 | 61.6 | 63.7 |
| July | 1980 | 62.3 | 67.6 | 67.3 |
| August | 1980 | 67.3 | 70.9 | 74.2 |
| September | 1980 | 73.7 | 78.1 | 78.5 |
| October | 1980 | 75.0 | 76.3 | 78.7 |
| November | 1980 | 76.7 | 82.7 | 87.5 |
| December | 1980 | 64.5 | 66.9 | 68.6 |
| January | 1981 | 71.4 | 74.8 | 77.1 |
| February | 1981 | 66.9 | 74.2 | 77.5 |
| March | 1981 | 66.5 | 72.1 | 73.7 |
| April | 1981 | 72.4 | 77.1 | 78.0 |
| May | 1981 | 76.3 | 80.8 | 85.0 |
| June | 1981 | 73.1 | 81.2 | 82.9 |
| July | 1981 | 74.1 | 80.8 | 82.1 |
| August | 1981 | 77.2 | 82.7 | 85.0 |
| September | 1981 | 73.1 | 75.2 | 73.3 |
| October | 1981 | 70.3 | 74.5 | 77.9 |
| November | 1981 | 62.5 | 67.2 | 66.3 |
| December | 1981 | 64.3 | 71.0 | 71.1 |
| January | 1982 | 71.0 | 77.9 | 77.8 |
| February | 1982 | 66.5 | 71.5 | 72.8 |
| March | 1982 | 62.0 | 67.0 | 67.9 |
| April | 1982 | 65.5 | 71.5 | 73.2 |

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

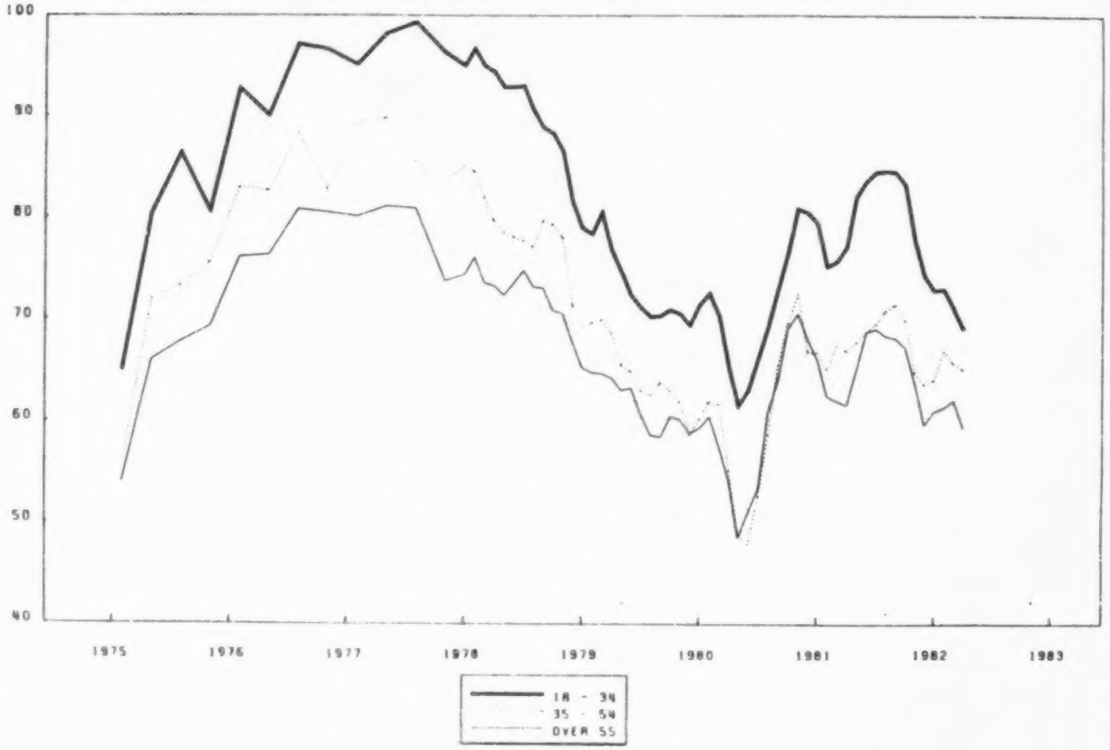
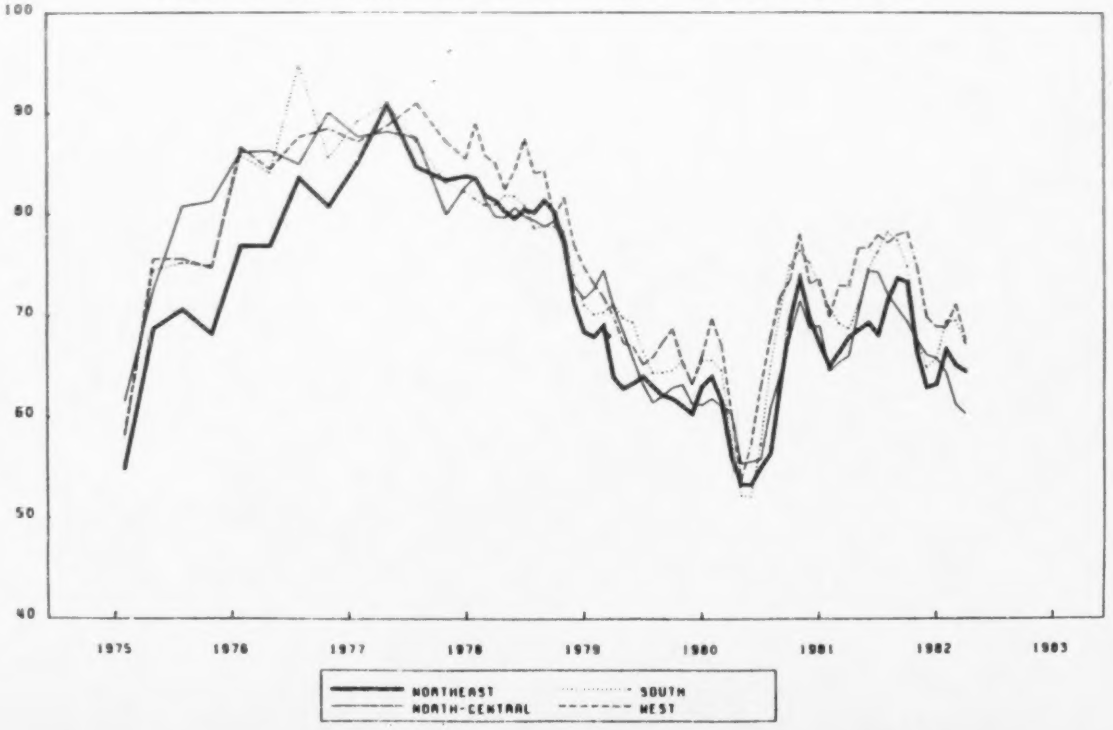


CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS



## TABLE 2

## INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| DATE OF SURVEY | | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|---|
| | | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| April | 1979 | 58.1 | 65.6 | 71.9 | 64.8 | 71.5 | 66.4 | 61.8 |
| May | 1979 | 64.9 | 68.2 | 69.1 | 69.6 | 74.6 | 65.3 | 64.1 |
| June | 1979 | 66.8 | 63.3 | 66.8 | 66.3 | 71.2 | 62.9 | 63.9 |
| July | 1979 | 60.4 | 58.0 | 63.3 | 59.7 | 67.7 | 60.9 | 54.1 |
| August | 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September | 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October | 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November | 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December | 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January | 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February | 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March | 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April | 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May | 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June | 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July | 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August | 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September | 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October | 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November | 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December | 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January | 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February | 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March | 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April | 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May | 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June | 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July | 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August | 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September | 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October | 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November | 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December | 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |
| January | 1982 | 68.8 | 67.3 | 72.0 | 76.2 | 76.6 | 67.4 | 68.5 |
| February | 1982 | 65.9 | 60.6 | 71.8 | 68.8 | 71.5 | 68.3 | 59.0 |
| March | 1982 | 60.5 | 55.8 | 64.7 | 68.2 | 65.5 | 61.4 | 58.8 |
| April | 1982 | 67.2 | 64.6 | 65.0 | 65.8 | 70.6 | 65.5 | 60.4 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

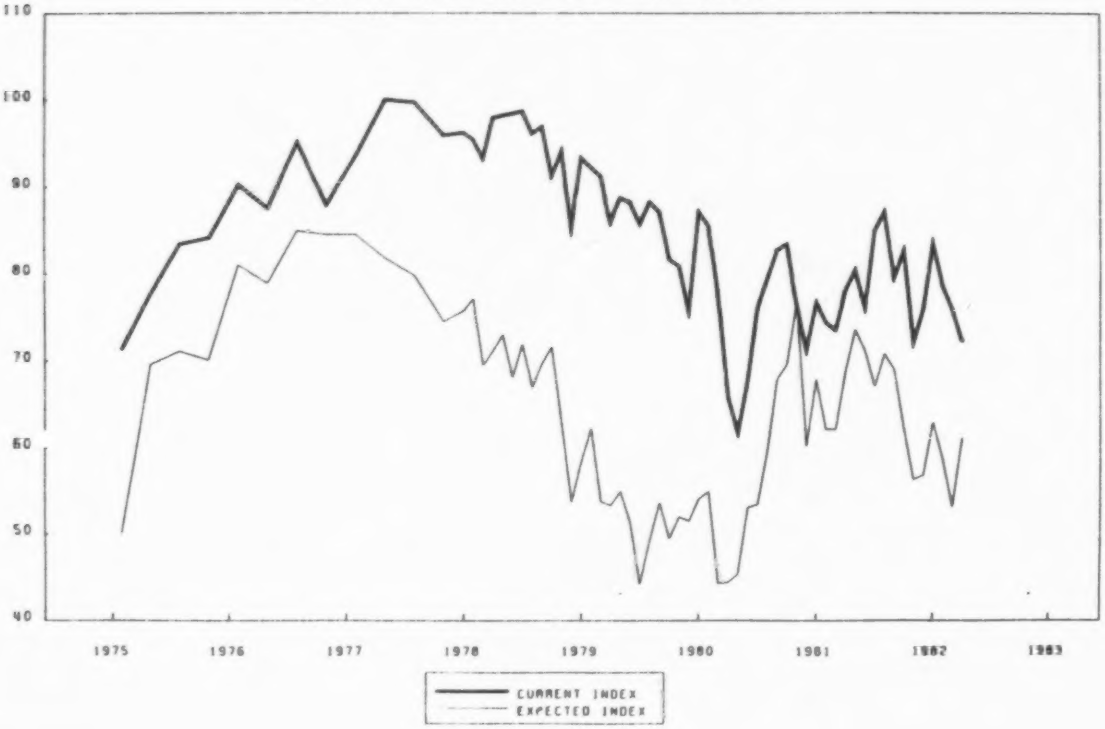


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

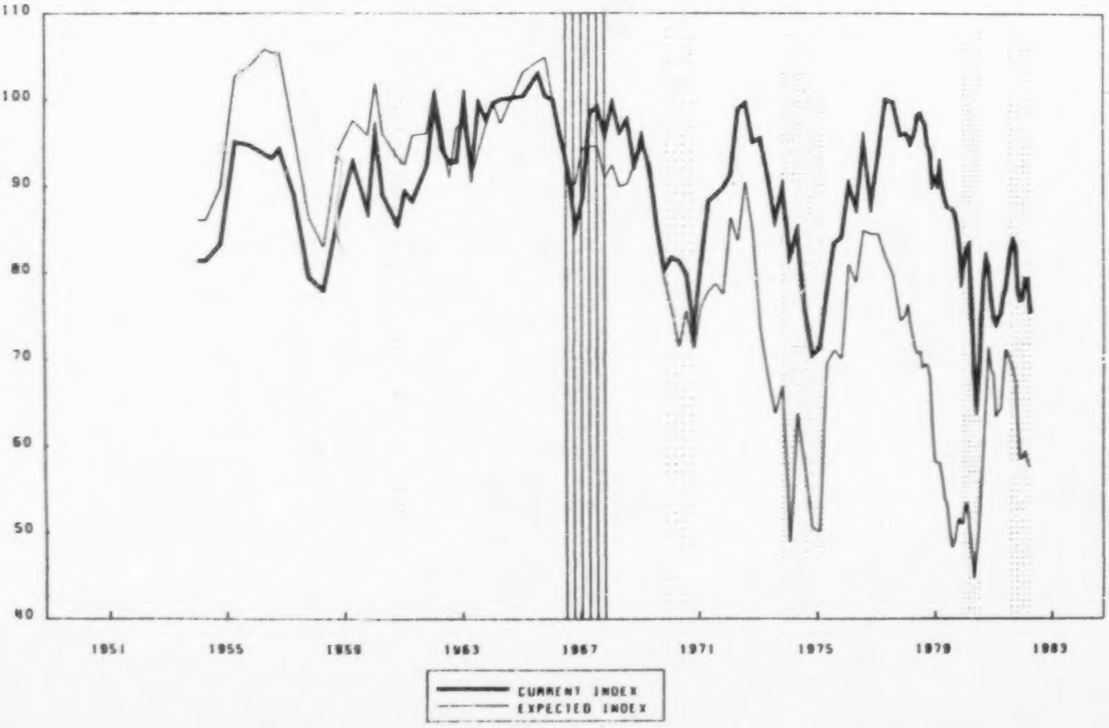


TABLE 3

## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | | | |
| | Current | Expected | 12 months | 5 years | Buying conds. | Current Index | Expected Index |
| DATE OF SURVEY | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| April 1979 | 85 | 90 | 63 | 55 | 134 | 85.9 | 53.3 |
| May 1979 | 91 | 95 | 58 | 62 | 136 | 88.7 | 54.9 |
| June 1979 | 92 | 91 | 54 | 55 | 134 | 88.2 | 51.4 |
| July 1979 | 90 | 92 | 39 | 40 | 130 | 85.7 | 44.2 |
| August 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |
| January 1982 | 92 | 115 | 66 | 70 | 124 | 83.5 | 62.9 |
| February 1982 | 91 | 112 | 56 | 65 | 111 | 78.6 | 58.7 |
| March 1982 | 89 | 106 | 44 | 60 | 106 | 75.9 | 53.1 |
| April 1982 | 87 | 111 | 62 | 70 | 99 | 72.3 | 61.1 |

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

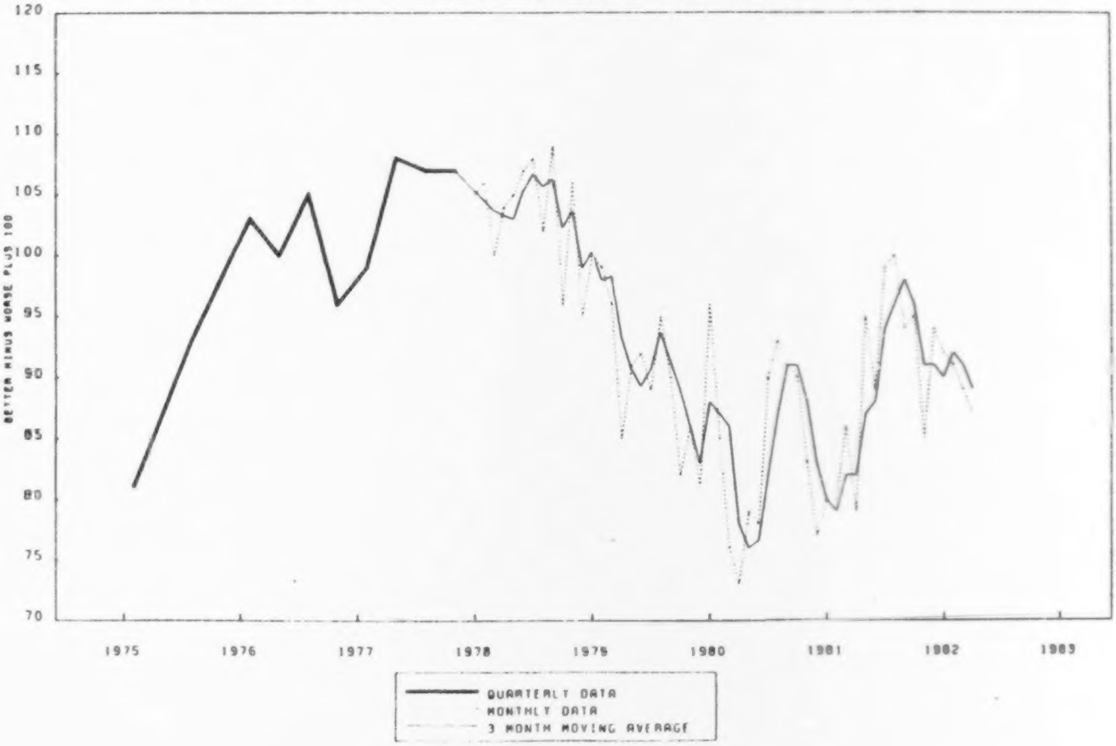
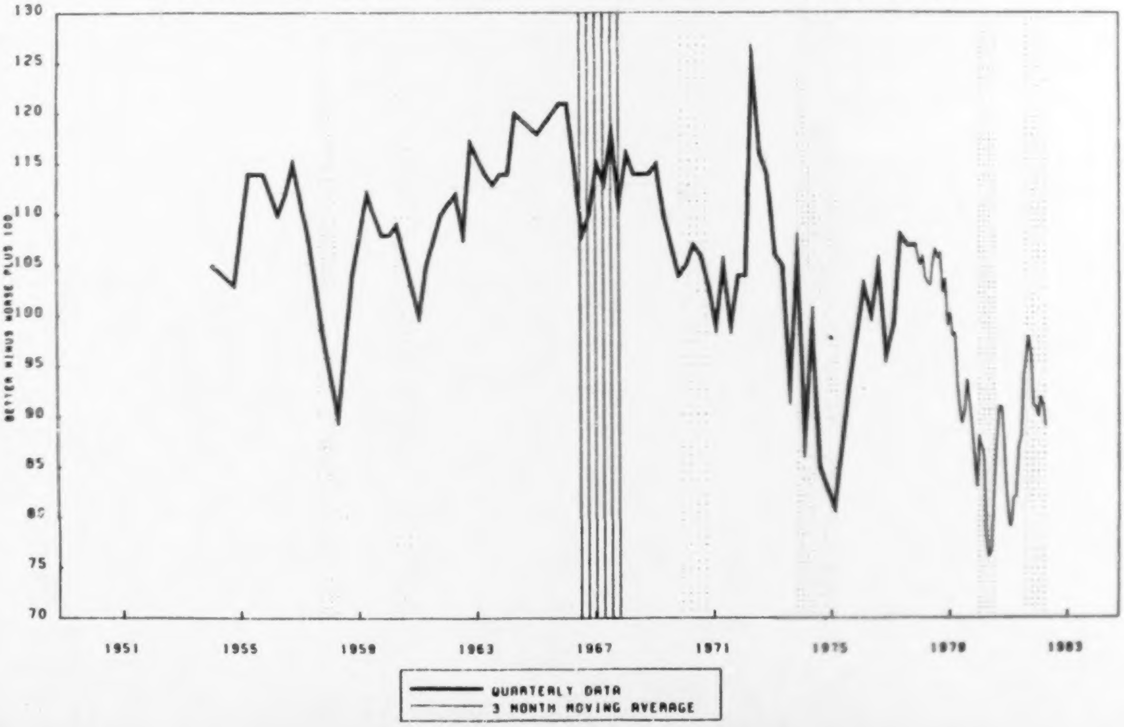


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 25% | 31% | 29% | 34% | 33% | 32% | 31% | 29% | 32% | 32% | 30% | 31% | 27% |
| SAME | 28 | 32 | 31 | 30 | 33 | 29 | 32 | 27 | 29 | 28 | 30 | 27 | 33 |
| WORSE OFF | 46 | 36 | 40 | 35 | 33 | 38 | 36 | 44 | 38 | 40 | 39 | 42 | 40 |
| DK,NA | 1 | 1 | * | 1 | 1 | 1 | 1 | * | 1 | * | 1 | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART [illegible] - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

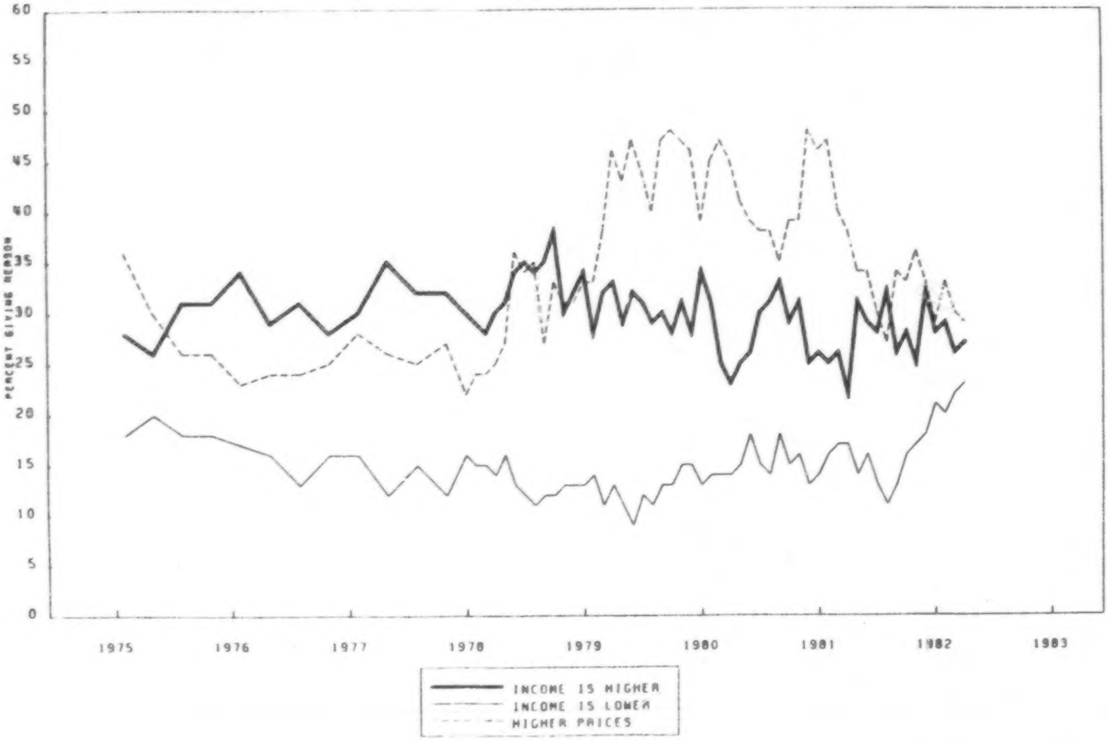
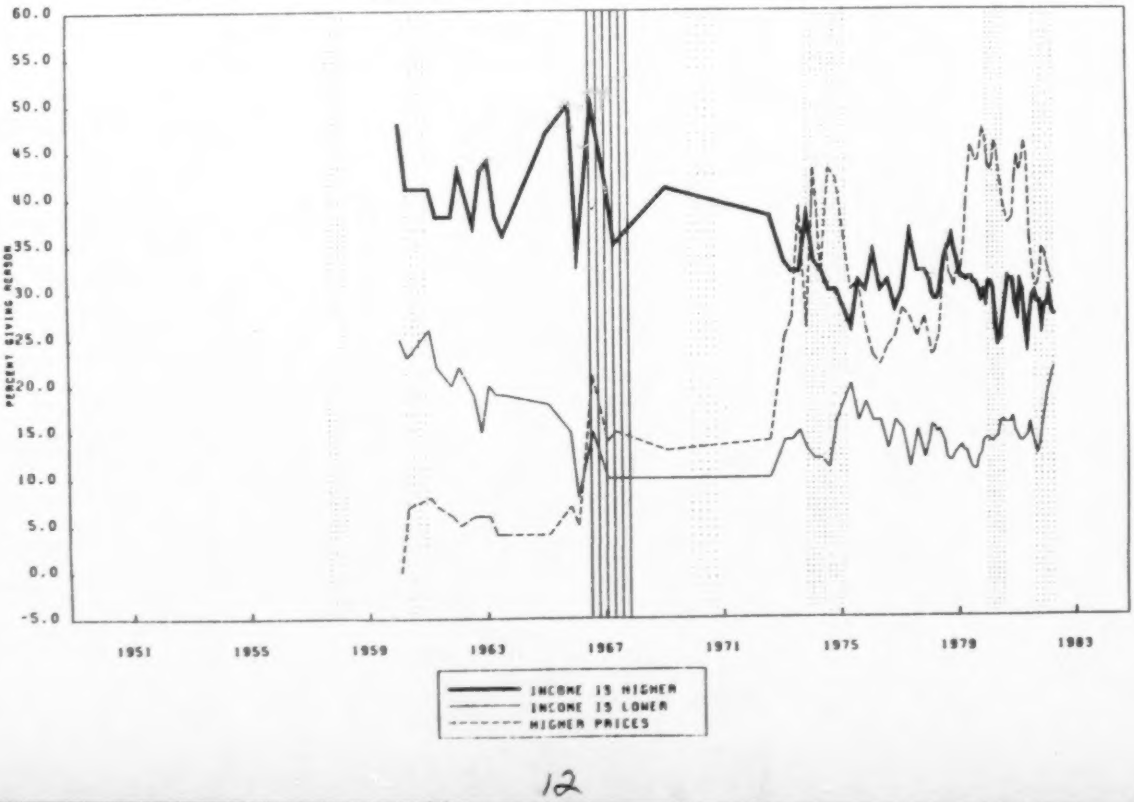


CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

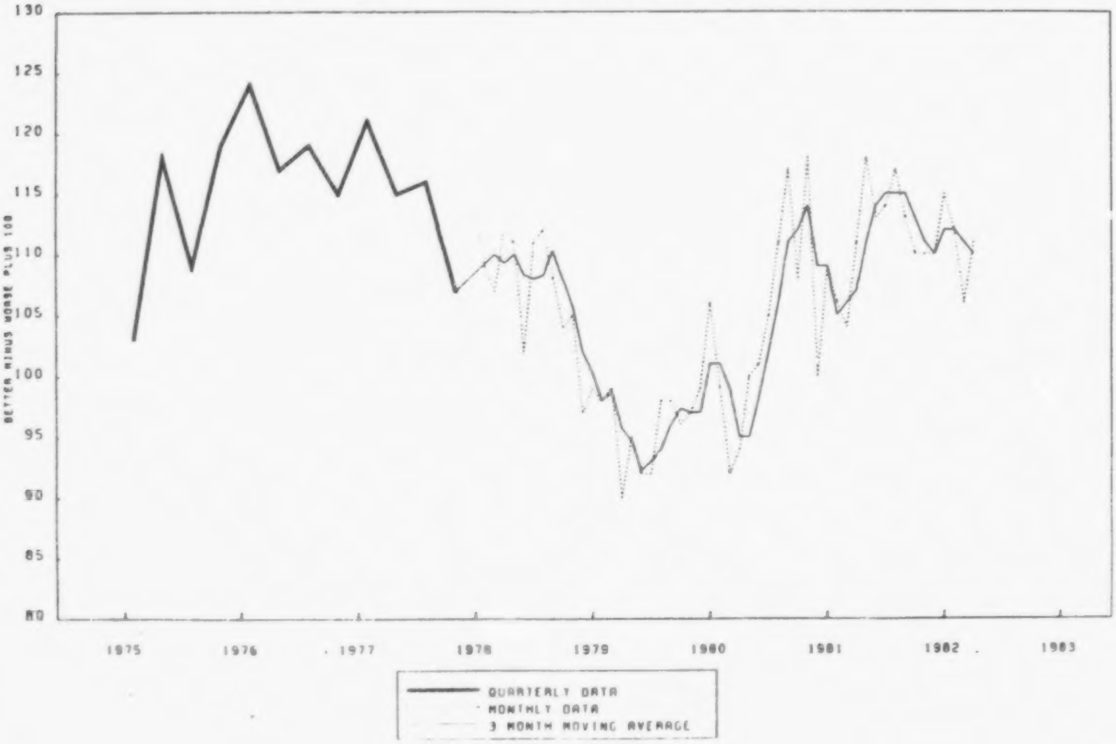
## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 22% | 31% | 29% | 28% | 32% | 26% | 28% | 25% | 32% | 28% | 29% | 26% | 27% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 17 | 14 | 16 | 13 | 11 | 13 | 16 | 17 | 18 | 21 | 20 | 22 | 23 |
| Higher prices | 38 | 34 | 34 | 30 | 27 | 34 | 33 | 36 | 33 | 29 | 33 | 30 | 29 |

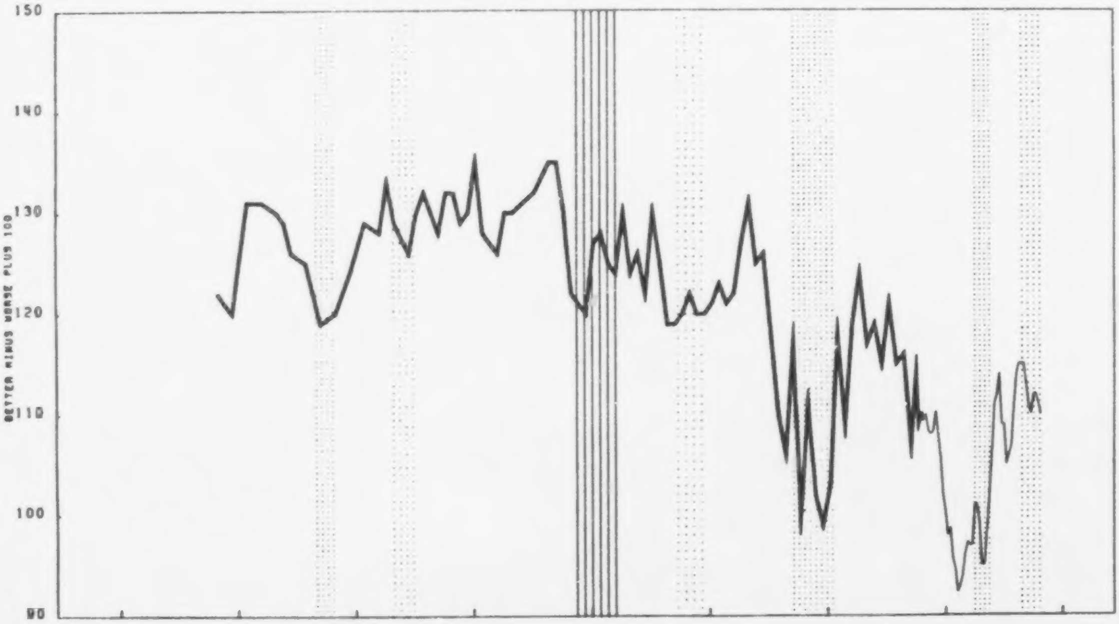
Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

## CHART 6 - RECENT CHANGES
## EXPECTED CHANGE IN FINANCIAL SITUATION



## CHART 6 - HISTORICAL SERIES
## EXPECTED CHANGE IN FINANCIAL SITUATION



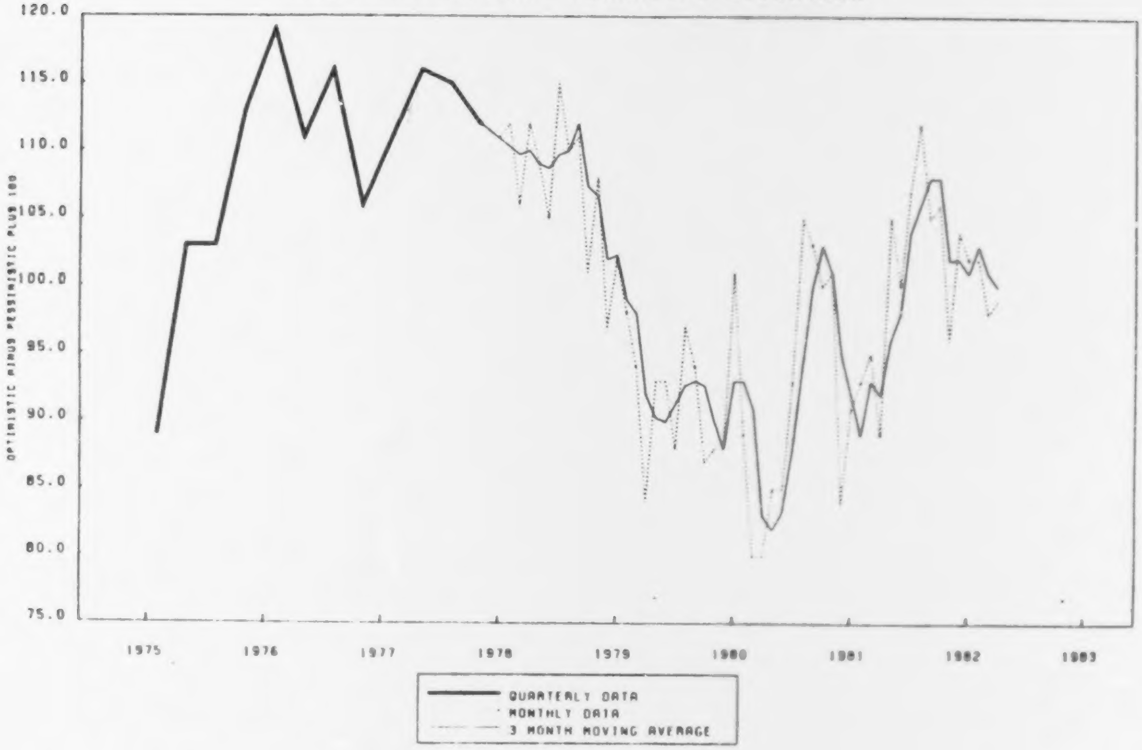
## TABLE 6

## EXPECTED CHANGE IN FINANCIAL SITUATION

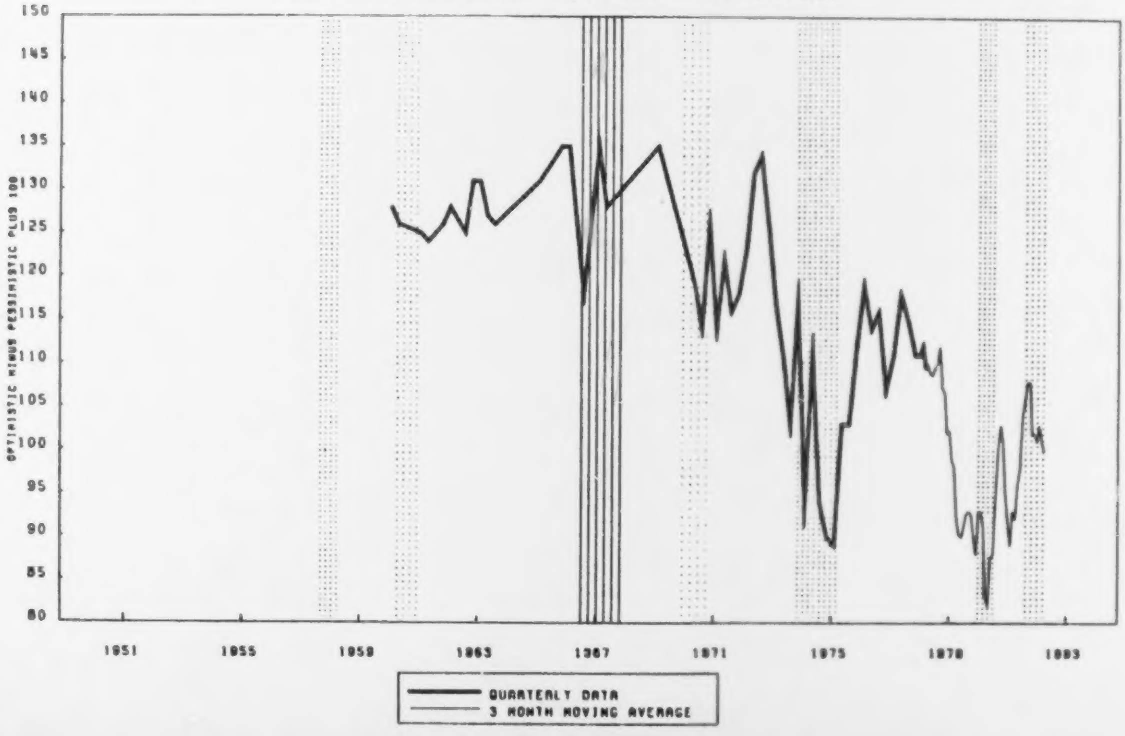
| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 30% | 34% | 32% | 29% | 34% | 31% | 29% | 30% | 30% | 33% | 30% | 27% | 31% |
| SAME | 47 | 48 | 44 | 52 | 46 | 45 | 49 | 46 | 48 | 46 | 47 | 48 | 45 |
| WORSE OFF | 19 | 16 | 19 | 15 | 17 | 18 | 19 | 20 | 20 | 18 | 18 | 21 | 20 |
| DK,NA | 4 | 2 | 5 | 4 | 3 | 6 | 3 | 4 | 2 | 3 | 5 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

## CHART 7 - RECENT CHANGES
## TREND IN PERSONAL FINANCIAL SITUATION



## CHART 7 - HISTORICAL SERIES
## TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

## TREND IN PERSONAL FINANCIAL SITUATION

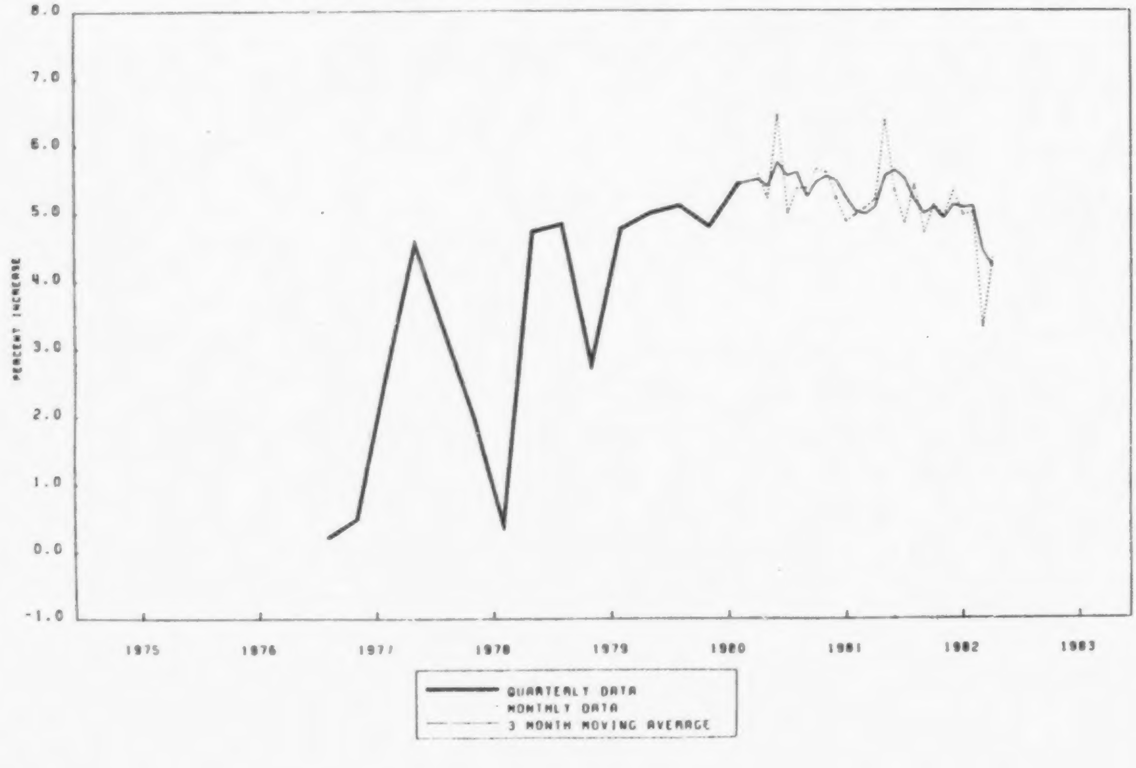
|  | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Continuous increase (a) | 11% | 15% | 13% | 15% | 14% | 16% | 13% | 13% | 13% | 15% | 15% | 11% | 12% |
| Intermittent increase (b) | 16 | 23 | 22 | 22 | 25 | 19 | 21 | 19 | 25 | 21 | 19 | 22 | 20 |
| Remain unchanged (c) | 14 | 15 | 14 | 19 | 18 | 17 | 21 | 14 | 14 | 15 | 18 | 14 | 17 |
| Intermittent decline (d) | 27 | 25 | 24 | 21 | 18 | 19 | 15 | 23 | 22 | 23 | 20 | 22 | 21 |
| Continuous decline (e) | 11 | 8 | 11 | 9 | 9 | 11 | 13 | 13 | 12 | 11 | 12 | 13 | 12 |
| Mixed change (f) | 15 | 12 | 11 | 9 | 12 | 12 | 14 | 14 | 11 | 12 | 11 | 14 | 14 |
| DK,NA | 6 | 2 | 5 | 5 | 4 | 6 | 3 | 4 | 3 | 3 | 5 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME



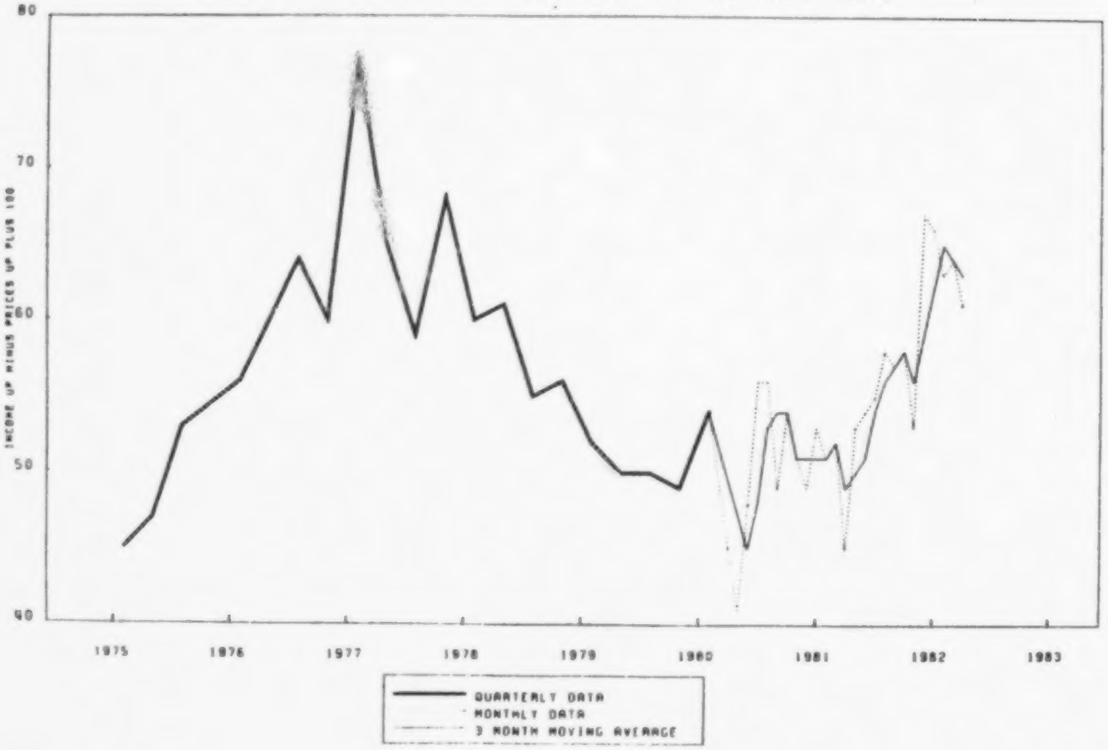
## TABLE 8

## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 6% | 6% | 6% | 7% | 5% | 6% | 6% | 5% | 5% | 7% | 5% | 5% | 7% |
| 5% | 8 | 10 | 10 | 7 | 8 | 9 | 10 | 9 | 9 | 10 | 9 | 8 | 10 |
| 6-9% | 11 | 11 | 10 | 10 | 9 | 10 | 13 | 8 | 10 | 11 | 12 | 9 | 8 |
| 10-24% | 22 | 28 | 25 | 21 | 27 | 23 | 21 | 23 | 24 | 22 | 22 | 19 | 19 |
| 25% or more | 7 | 8 | 7 | 10 | 6 | 6 | 6 | 8 | 8 | 7 | 6 | 7 | 7 |
| DK how much up | 9 | 7 | 7 | 5 | 6 | 6 | 6 | 4 | 6 | 4 | 6 | 6 | 6 |
| EXPECT SAME | 25 | 19 | 21 | 24 | 26 | 27 | 24 | 25 | 21 | 23 | 25 | 25 | 24 |
| EXPECT DOWN | 10 | 8 | 11 | 13 | 9 | 12 | 12 | 15 | 15 | 14 | 13 | 18 | 18 |
| DK,NA | 2 | 3 | 3 | 3 | 4 | 1 | 2 | 3 | 2 | 2 | 2 | 3 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR



## TABLE 9

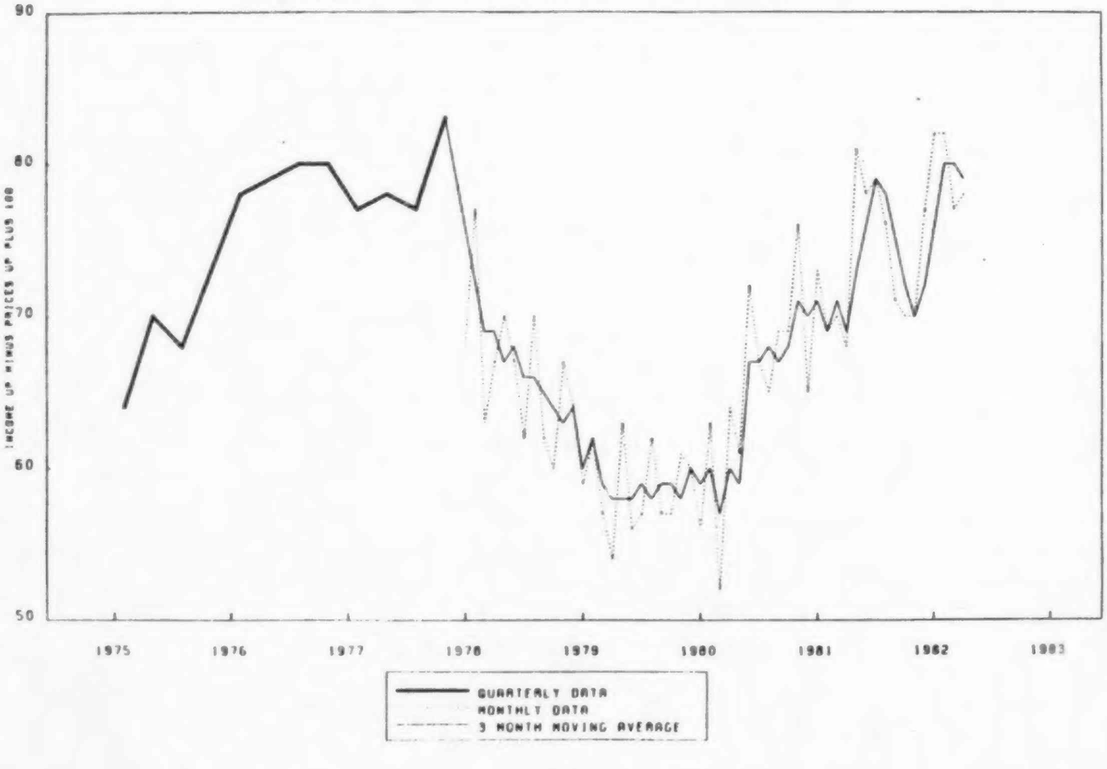
## PAST CHANGE IN REAL FAMILY INCOME

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 9% | 12% | 13% | 13% | 14% | 13% | 13% | 12% | 17% | 17% | 16% | 16% | 14% |
| INCOME UP SAME | 26 | 28 | 26 | 25 | 29 | 31 | 30 | 27 | 32 | 30 | 30 | 31 | 32 |
| PRICES UP MORE | 64 | 59 | 59 | 58 | 56 | 56 | 55 | 59 | 50 | 51 | 53 | 52 | 53 |
| DK,NA | 1 | 1 | 2 | 4 | 1 | * | 2 | 2 | 1 | 2 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



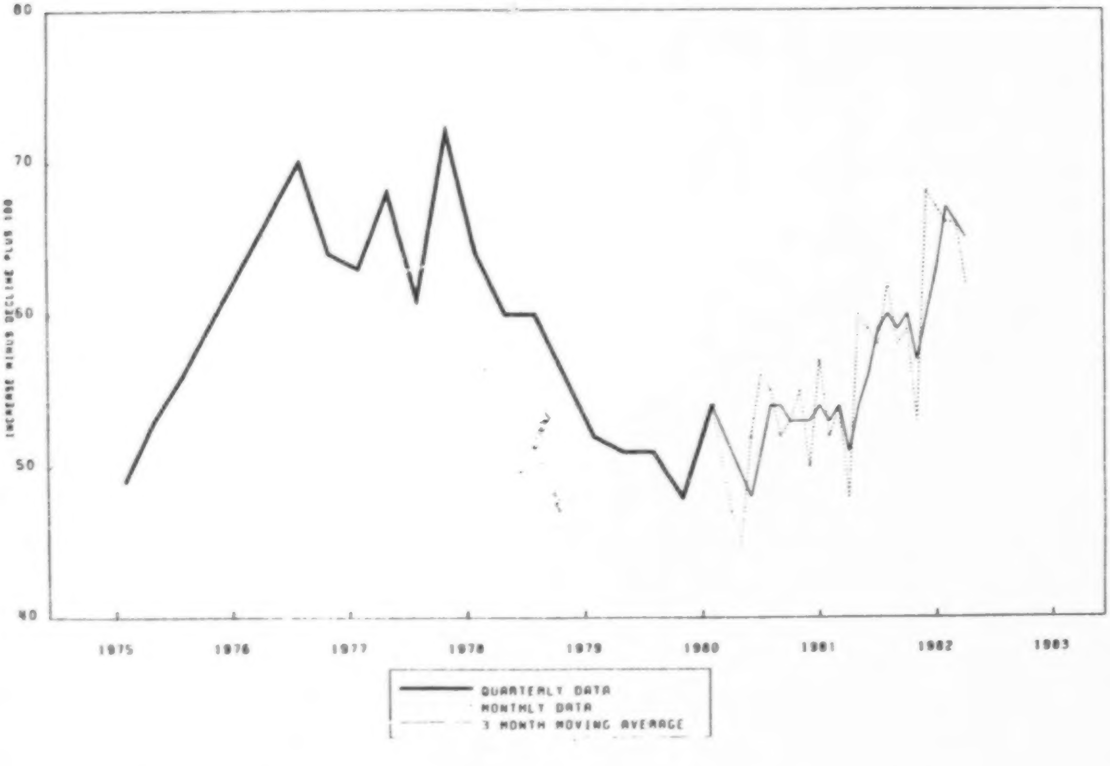
## TABLE 10

### EXPECTED CHANGE IN REAL FAMILY INCOME

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 13% | 19% | 16% | 17% | 16% | 13% | 14% | 13% | 17% | 17% | 20% | 16% | 17% |
| INCOME UP SAME | 39 | 41 | 43 | 41 | 40 | 42 | 40 | 41 | 41 | 45 | 40 | 41 | 42 |
| PRICES UP MORE | 45 | 38 | 38 | 38 | 40 | 42 | 44 | 43 | 40 | 35 | 38 | 39 | 39 |
| DK,NA | 3 | 2 | 3 | 4 | 4 | 3 | 2 | 3 | 2 | 3 | 2 | 4 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

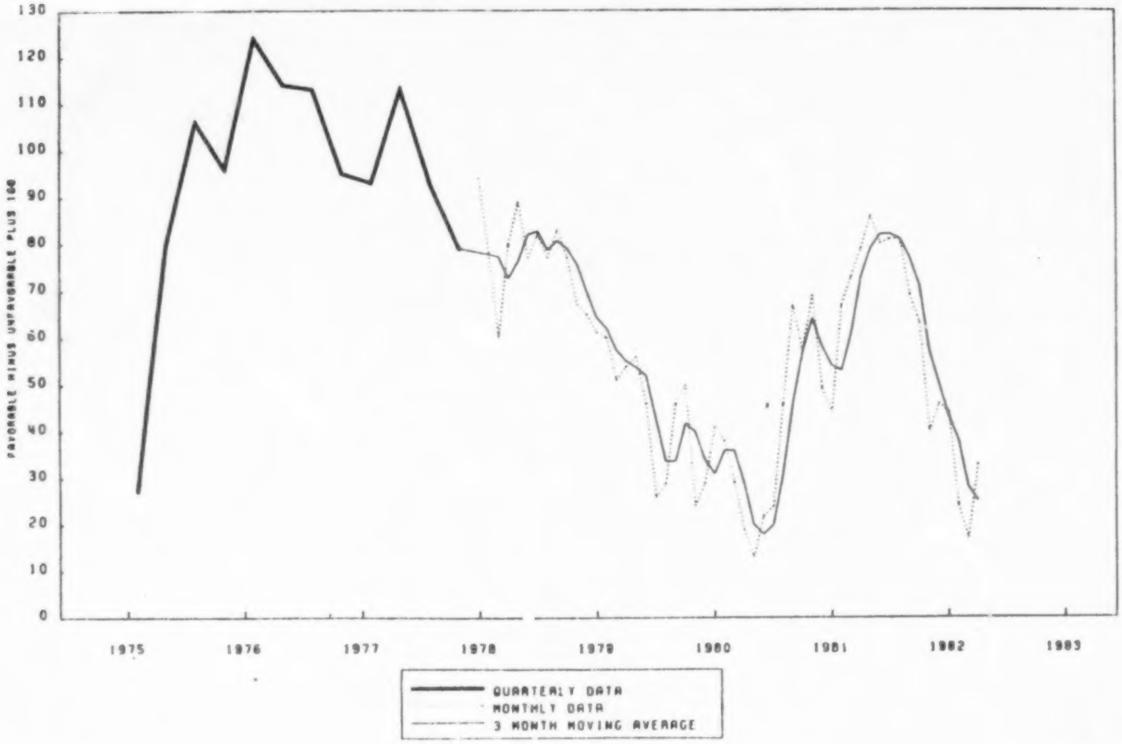
## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 4% | 6% | 6% | 8% | 7% | 5% | 5% | 5% | 8% | 9% | 9% | 7% | 8% |
| Intermittent increase (b) | 7 | 10 | 10 | 7 | 8 | 11 | 10 | 8 | 12 | 11 | 9 | 10 | 9 |
| Remain unchanged (c) | 17 | 16 | 17 | 16 | 20 | 19 | 18 | 17 | 19 | 19 | 20 | 20 | 19 |
| Intermittent decline (d) | 25 | 25 | 25 | 25 | 21 | 24 | 21 | 26 | 22 | 25 | 22 | 21 | 25 |
| Continuous decline (e) | 38 | 31 | 32 | 32 | 32 | 34 | 35 | 34 | 30 | 28 | 30 | 30 | 30 |
| Mixed change (f) | 6 | 9 | 6 | 7 | 8 | 4 | 8 | 6 | 6 | 5 | 8 | 8 | 6 |
| DK,NA | 3 | 3 | 4 | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 2 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

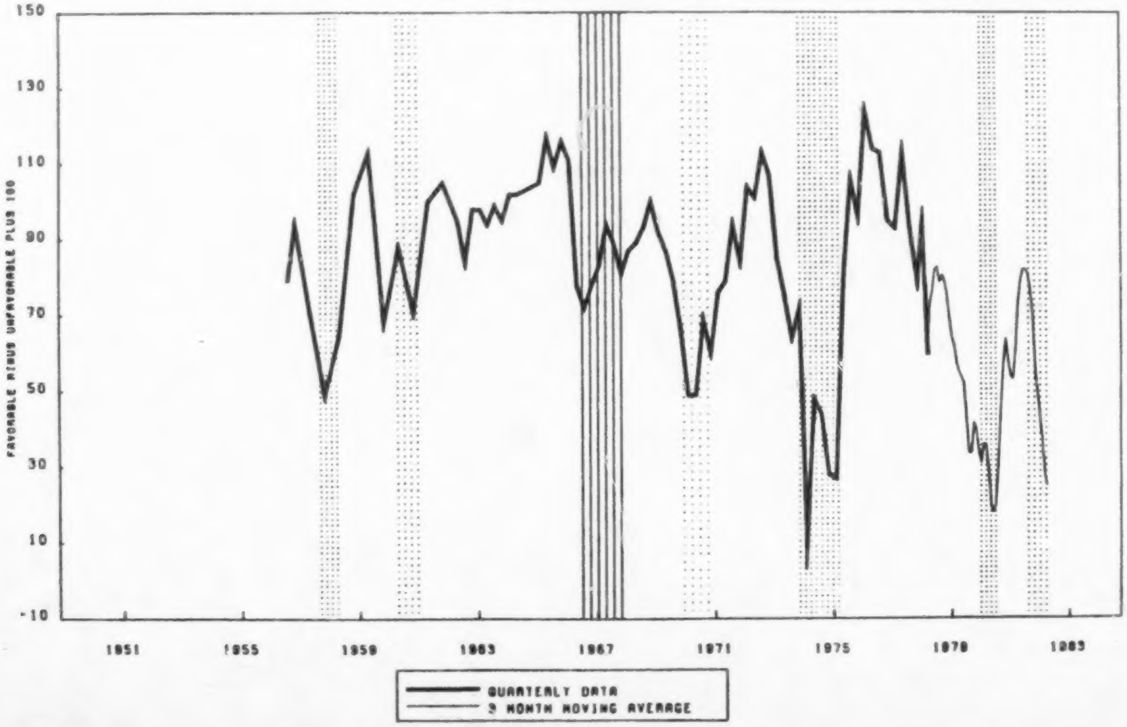
Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

## CHART 12 - RECENT CHANGES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## CHART 12 - HISTORICAL SERIES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 28% | 31% | 24% | 27% | 28% | 24% | 22% | 14% | 23% | 23% | 20% | 18% | 23% |
| UNFAVORABLE NEWS | 49 | 45 | 44 | 46 | 47 | 55 | 59 | 74 | 77 | 79 | 96 | 101 | 90 |
| NO MENTIONS | 47 | 47 | 52 | 51 | 48 | 47 | 45 | 43 | 37 | 33 | 29 | 26 | 29 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

## TABLE 13

## SELECTED ITEMS OF
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 6% | 4% | 6% | 4% | 7% | 8% | 5% | 3% | 4% | 4% | 3% | 4% | 2% |
| Employment | 7 | 8 | 4 | 7 | 8 | 6 | 4 | 2 | 4 | 5 | 5 | 4 | 4 |
| Consumer demand high | 3 | 4 | 1 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | * | * | 2 |
| Prices are low | 2 | 2 | 3 | 4 | 2 | * | 1 | * | 1 | 2 | 1 | 2 | 4 |
| Credit is easy | 5 | 2 | 2 | 2 | 2 | 2 | 3 | 4 | 10 | 6 | 5 | 3 | 5 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 7 | 4 | 4 | 5 | 6 | 5 | 5 | 3 | 4 | 5 | 6 | 7 | 5 |
| Unemployment | 19 | 14 | 16 | 16 | 17 | 19 | 20 | 28 | 32 | 35 | 40 | 46 | 41 |
| Consumer demand low | 6 | 6 | 3 | 4 | 5 | 3 | 6 | 10 | 11 | 11 | 14 | 12 | 11 |
| Prices are high | 6 | 4 | 5 | 5 | 3 | 5 | 3 | 7 | 4 | 5 | 4 | 5 | 4 |
| Credit is tight | 4 | 7 | 9 | 7 | 7 | 10 | 10 | 11 | 8 | 6 | 8 | 10 | 10 |
| Energy crisis | * | * | * | * | 1 | 1 | * | * | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

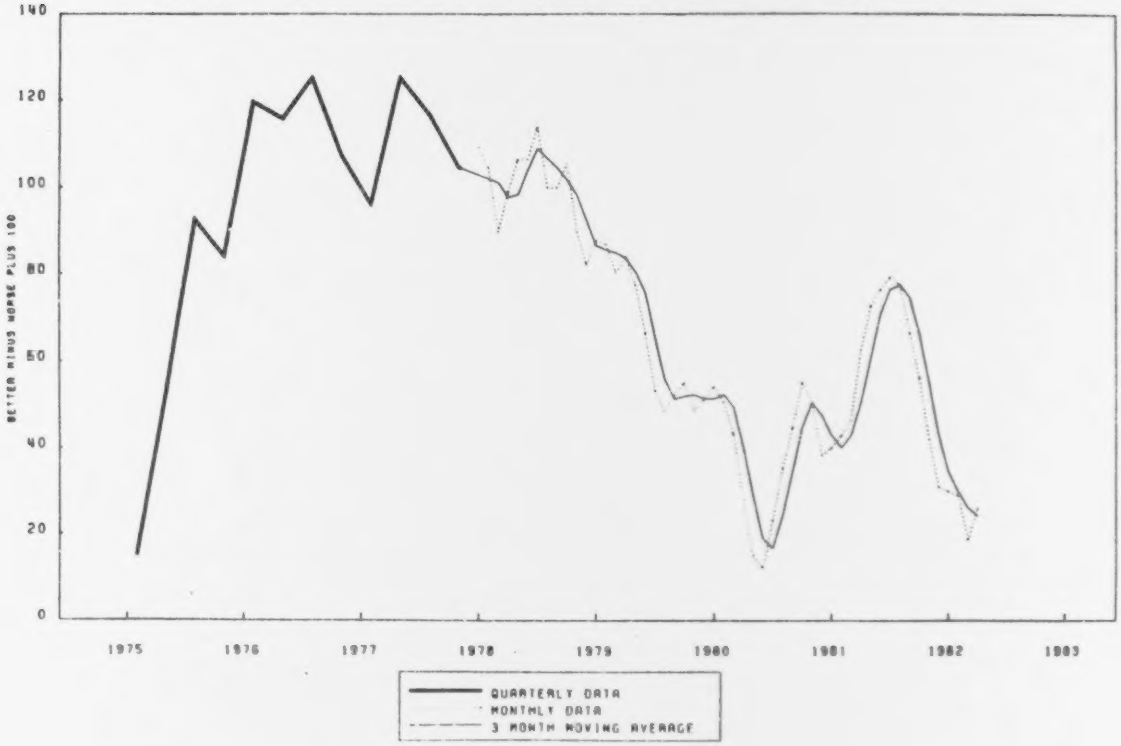
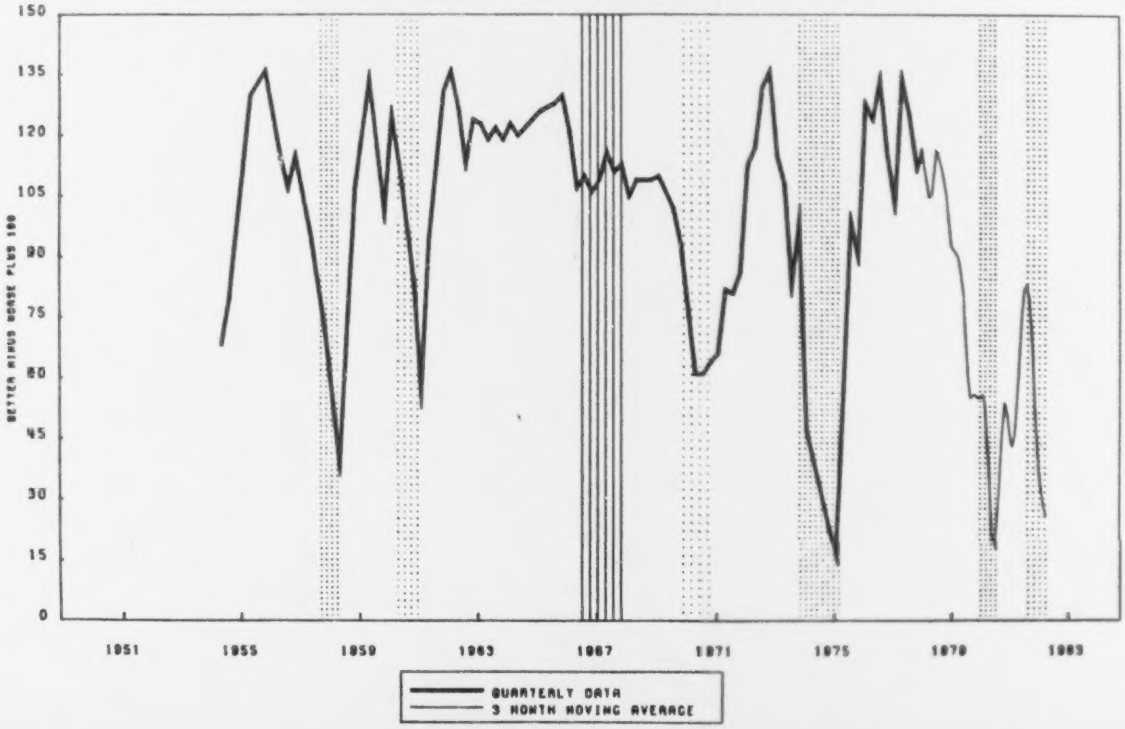


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 24% | 30% | 31% | 32% | 33% | 28% | 23% | 15% | 13% | 11% | 11% | 7% | 9% |
| SAME | 17 | 17 | 18 | 18 | 15 | 12 | 12 | 12 | 6 | 8 | 8 | 5 | 9 |
| WORSE NOW | 57 | 52 | 49 | 47 | 50 | 57 | 63 | 70 | 80 | 79 | 80 | 87 | 81 |
| DK,NA | 2 | 1 | 2 | 3 | 2 | 3 | 2 | 3 | 1 | 2 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

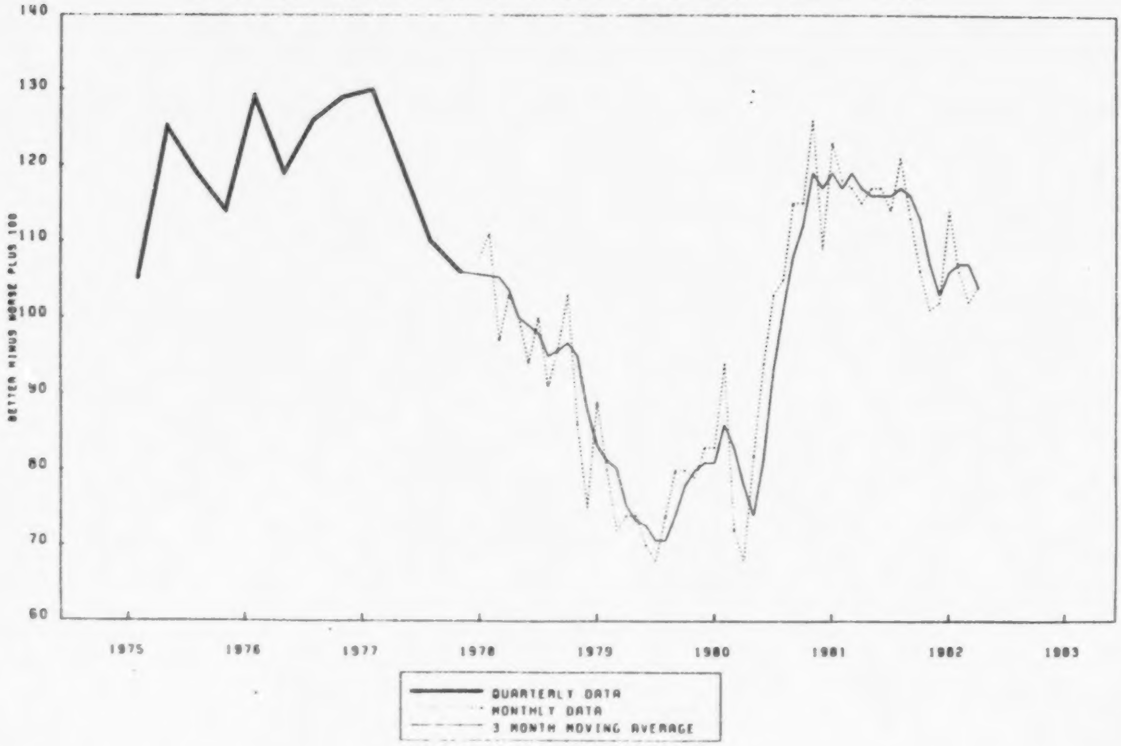
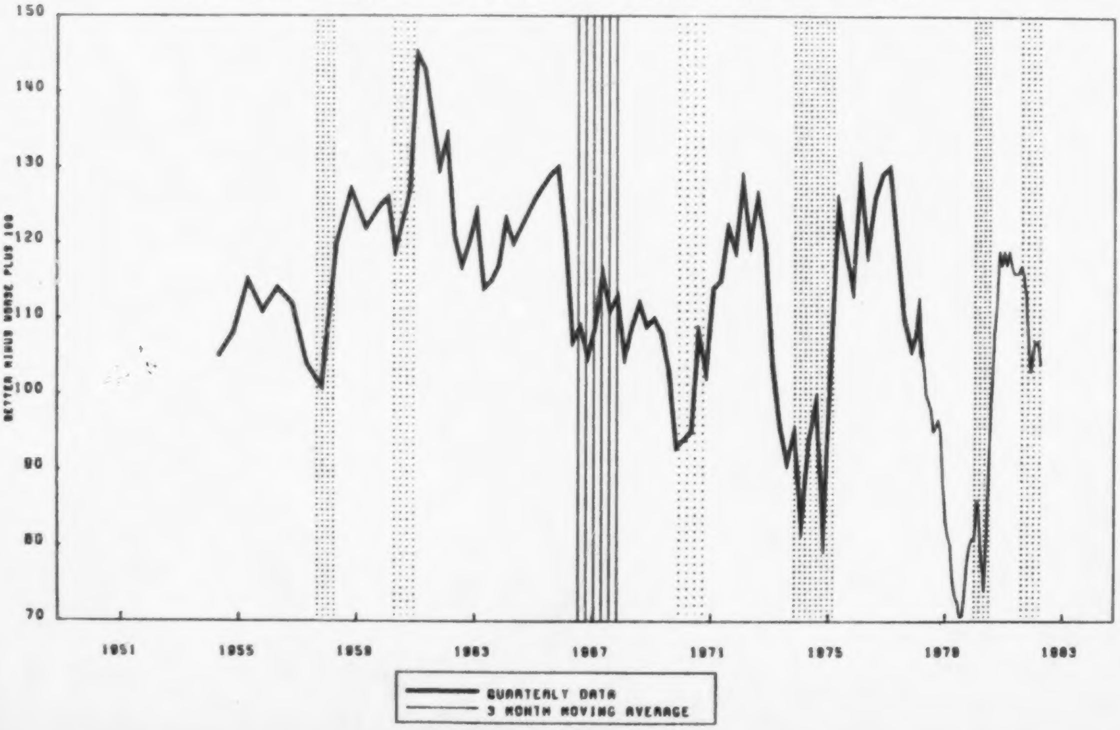


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 36% | 36% | 36% | 34% | 38% | 32% | 31% | 27% | 31% | 38% | 34% | 29% | 32% |
| SAME | 41 | 44 | 42 | 44 | 43 | 45 | 41 | 44 | 37 | 36 | 36 | 42 | 38 |
| WORSE | 21 | 19 | 19 | 20 | 17 | 19 | 25 | 26 | 29 | 24 | 28 | 27 | 28 |
| DK,NA | 2 | 1 | 3 | 2 | 2 | 4 | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

## TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 31% | 25% | 25% | 21% | 29% | 24% | 19% | 15% | 15% | 19% | 19% | 13% | 14% |
| Employment | 4 | 4 | 3 | 3 | 3 | 2 | 6 | 3 | 2 | 5 | 4 | 3 | 4 |
| Higher consumer demand | 2 | 2 | 3 | 2 | 3 | 4 | 2 | 2 | 3 | 3 | 2 | 3 | 3 |
| Lower prices | 2 | 3 | 2 | 4 | 3 | 2 | 1 | 1 | 2 | 3 | 2 | 2 | 5 |
| Easier credit | 2 | 3 | 4 | 3 | 4 | 4 | 6 | 7 | 9 | 5 | 5 | 7 | 7 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 8 | 8 | 12 | 11 | 12 | 11 | 15 | 10 | 12 | 11 | 12 | 13 | 13 |
| Unemployment | 6 | 5 | 8 | 9 | 6 | 7 | 7 | 12 | 15 | 12 | 16 | 15 | 14 |
| Lower consumer demand | 5 | 4 | 4 | 5 | 3 | 6 | 4 | 6 | 7 | 6 | 7 | 9 | 7 |
| Higher prices | 10 | 6 | 8 | 7 | 4 | 9 | 7 | 8 | 8 | 5 | 6 | 6 | 4 |
| Tighter credit | 2 | 3 | 3 | 5 | 6 | 8 | 5 | 5 | 4 | 4 | 7 | 7 | 5 |
| Energy crisis | * | * | 1 | * | * | * | 1 | * | * | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

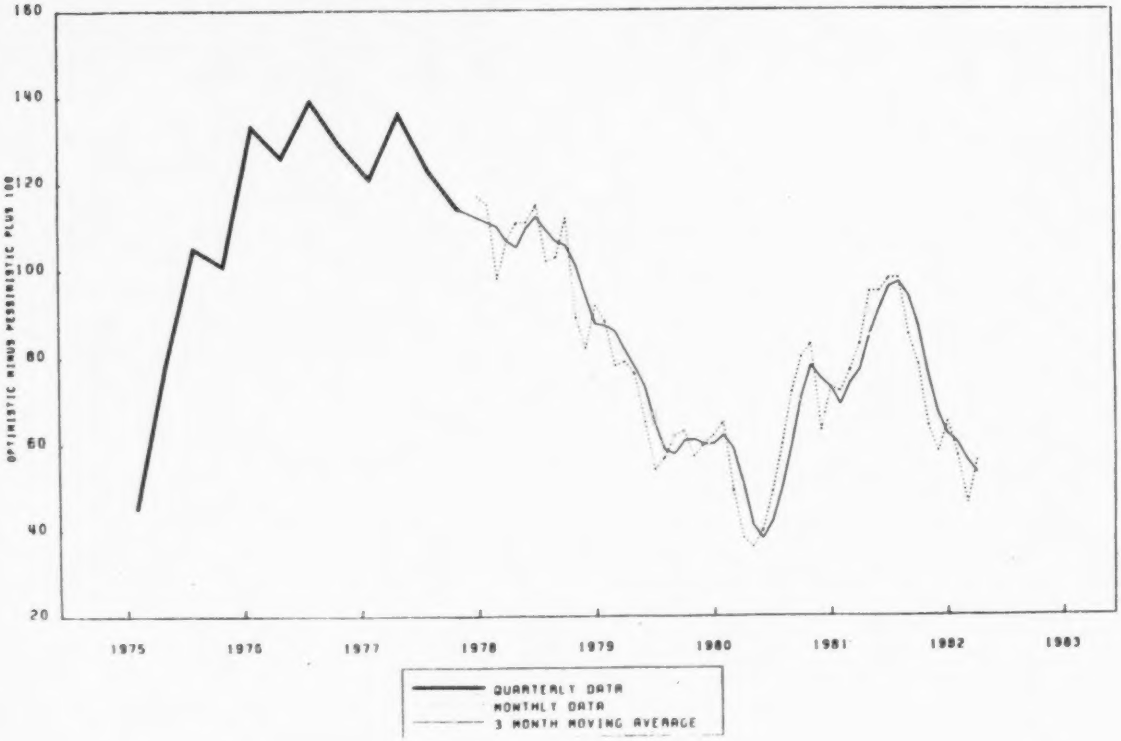
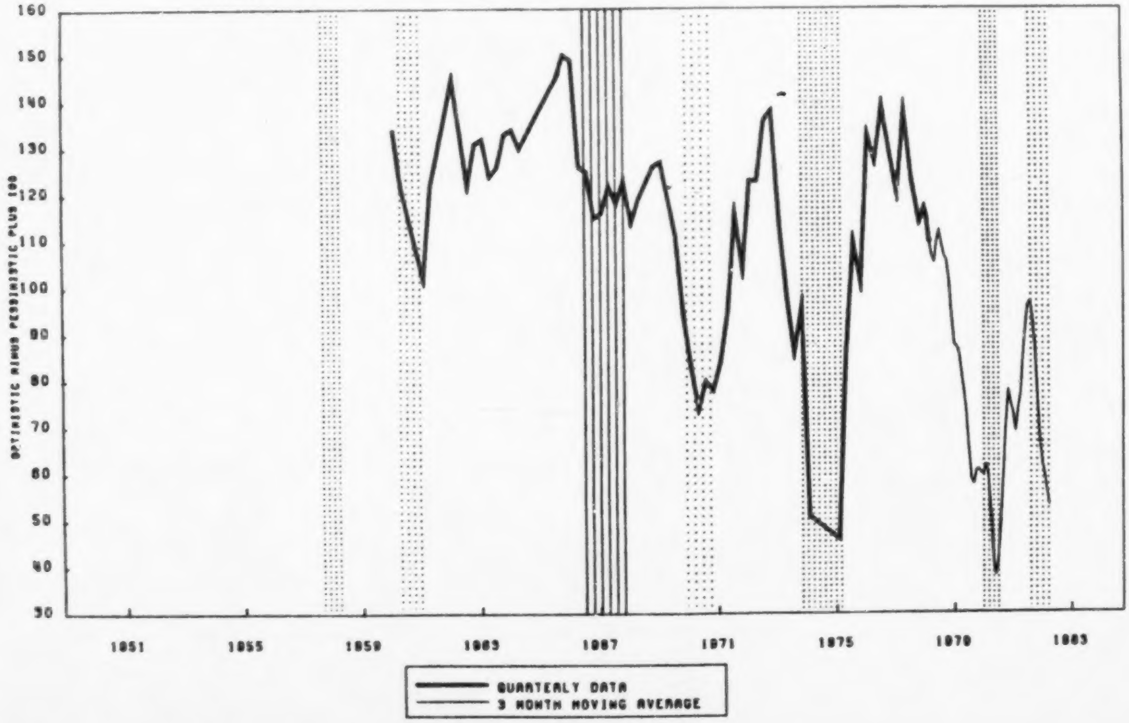


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## TABLE 17

## TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 15% | 14% | 19% | 15% | 18% | 14% | 12% | 6% | 5% | 6% | 6% | 4% | 5% |
| Intermittent increase (b) | 13 | 17 | 16 | 21 | 17 | 16 | 14 | 11 | 8 | 9 | 6 | 5 | 7 |
| Remain unchanged (c) | 8 | 10 | 8 | 8 | 7 | 6 | 4 | 6 | 3 | 3 | 4 | 2 | 4 |
| Intermittent decline (d) | 29 | 24 | 25 | 24 | 25 | 29 | 27 | 31 | 29 | 27 | 30 | 37 | 30 |
| Continuous decline (e) | 16 | 12 | 15 | 14 | 12 | 16 | 21 | 22 | 26 | 23 | 25 | 26 | 26 |
| Mixed change (f) | 16 | 20 | 12 | 13 | 18 | 14 | 17 | 18 | 25 | 29 | 26 | 23 | 24 |
| DK,NA | 3 | 3 | 5 | 5 | 3 | 5 | 5 | 6 | 4 | 3 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

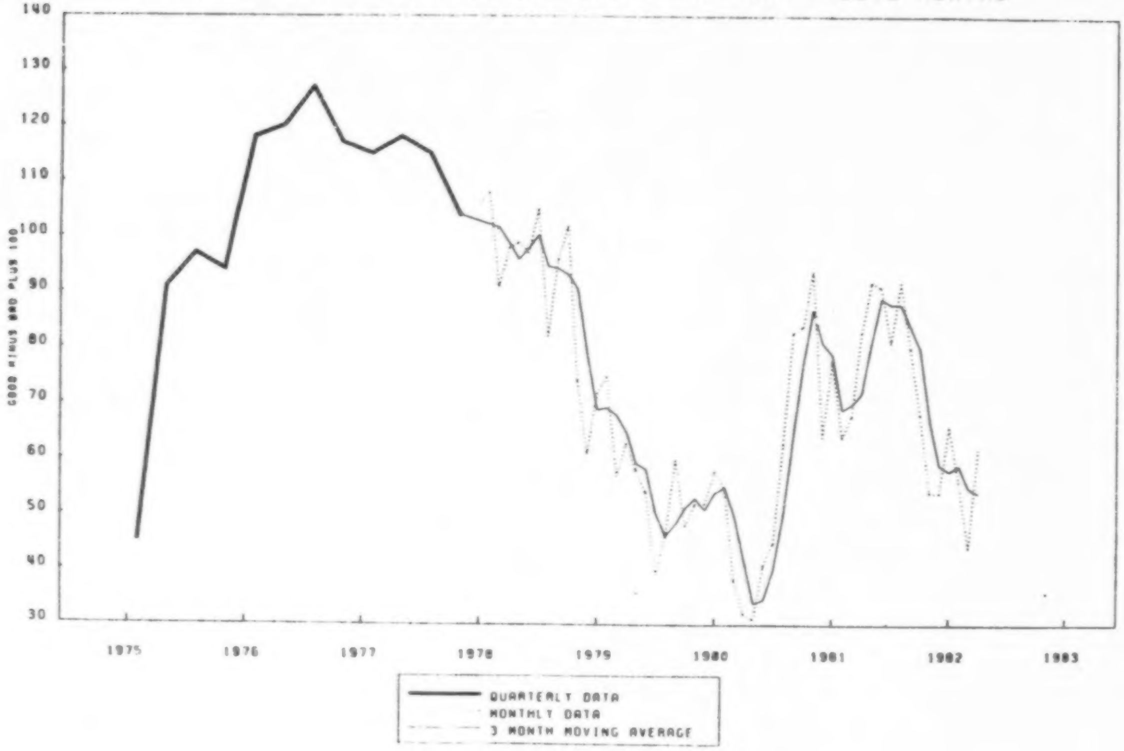
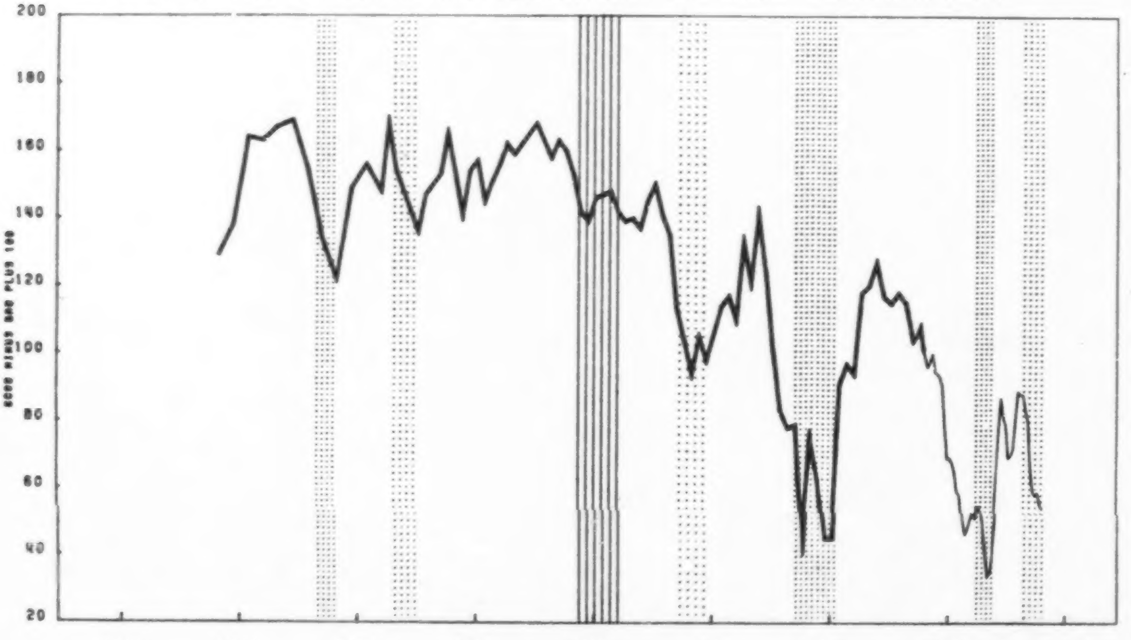


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 36% | 41% | 41% | 35% | 40% | 33% | 25% | 21% | 23% | 30% | 23% | 17% | 28% |
| UNCERTAIN; GOOD & BAD | 3 | 3 | 2 | 2 | 4 | 3 | 3 | 4 | 2 | 1 | 2 | 2 | 1 |
| BAD TIMES | 53 | 49 | 50 | 54 | 48 | 53 | 57 | 67 | 69 | 64 | 67 | 73 | 66 |
| DON'T KNOW | 6 | 5 | 5 | 5 | 5 | 6 | 8 | 6 | 4 | 3 | 4 | 3 | 4 |
| NOT ASCERTAINED | 2 | 2 | 2 | 4 | 3 | 5 | 7 | 2 | 2 | 2 | 4 | 5 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

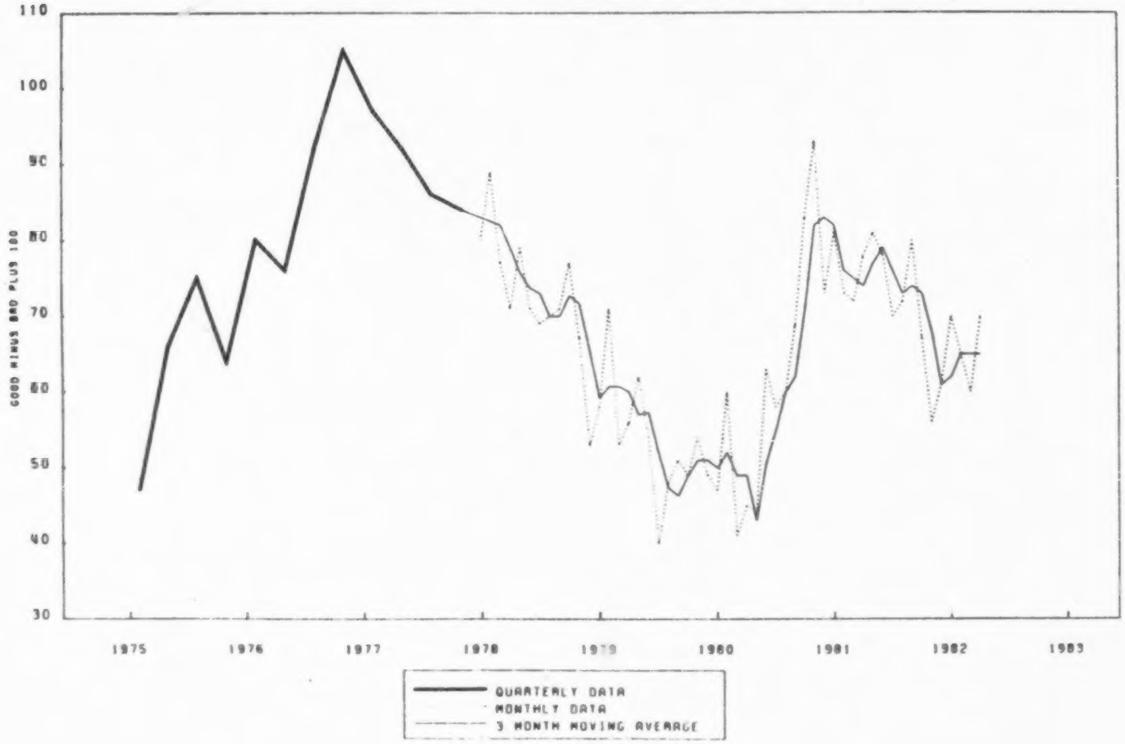
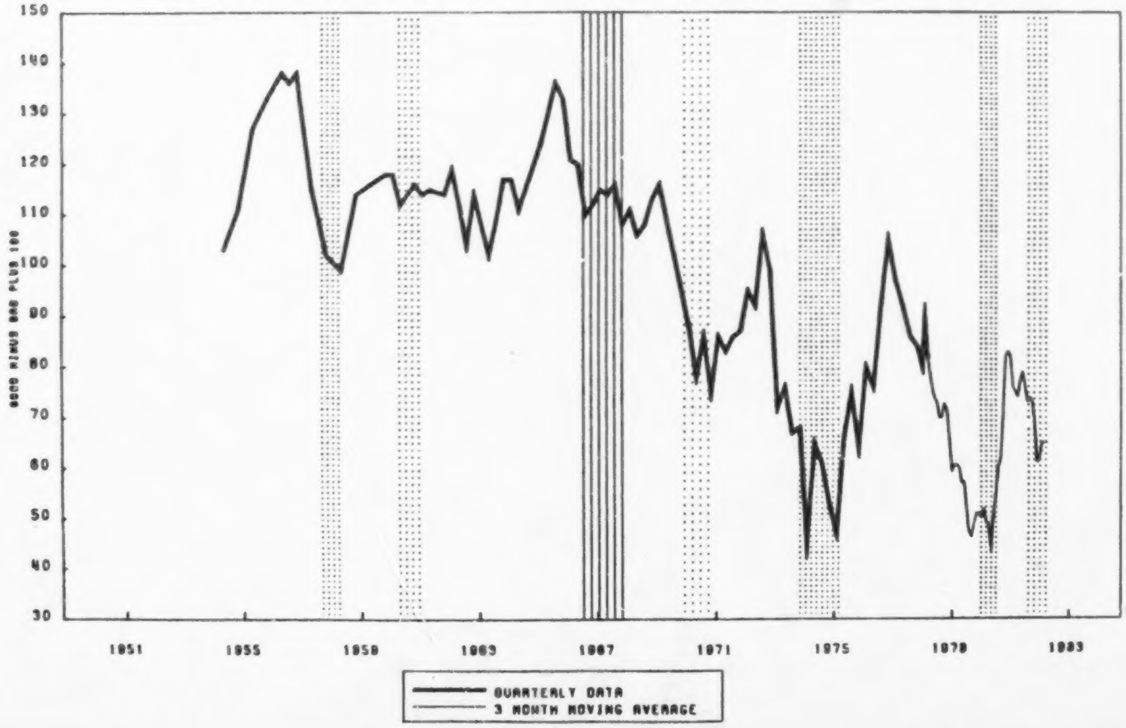


CHART 19 HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 30% | 33% | 33% | 27% | 28% | 30% | 24% | 18% | 20% | 28% | 24% | 22% | 25% |
| UNCERTAIN; GOOD & BAD | 13 | 11 | 9 | 11 | 12 | 16 | 14 | 17 | 17 | 11 | 13 | 13 | 13 |
| BAD TIMES | 52 | 52 | 55 | 57 | 56 | 50 | 57 | 62 | 59 | 58 | 59 | 62 | 55 |
| NOT ASCERTAINED | 5 | 4 | 3 | 5 | 4 | 4 | 5 | 3 | 4 | 3 | 4 | 3 | 7 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

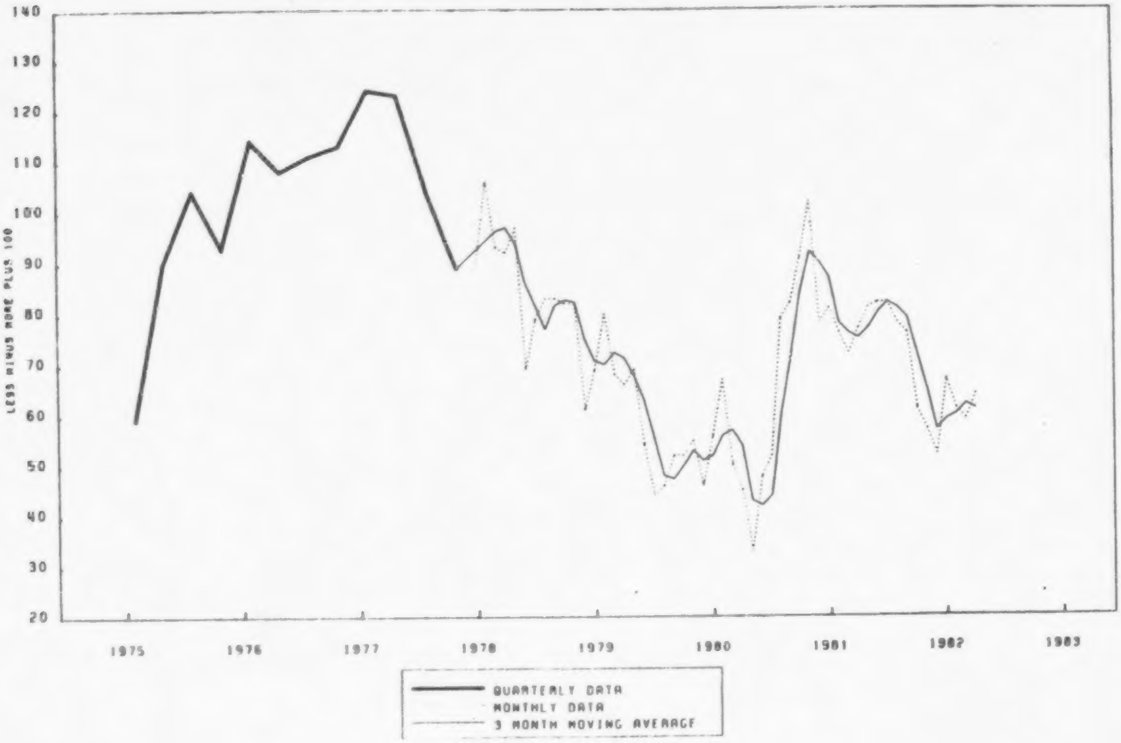
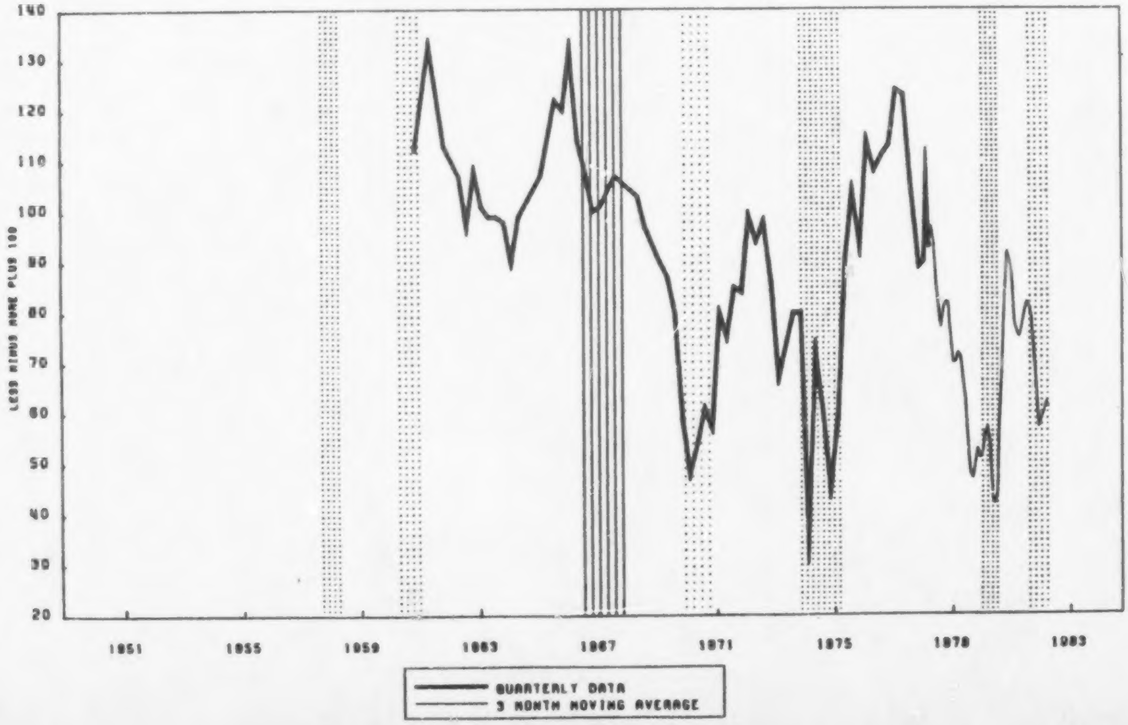


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



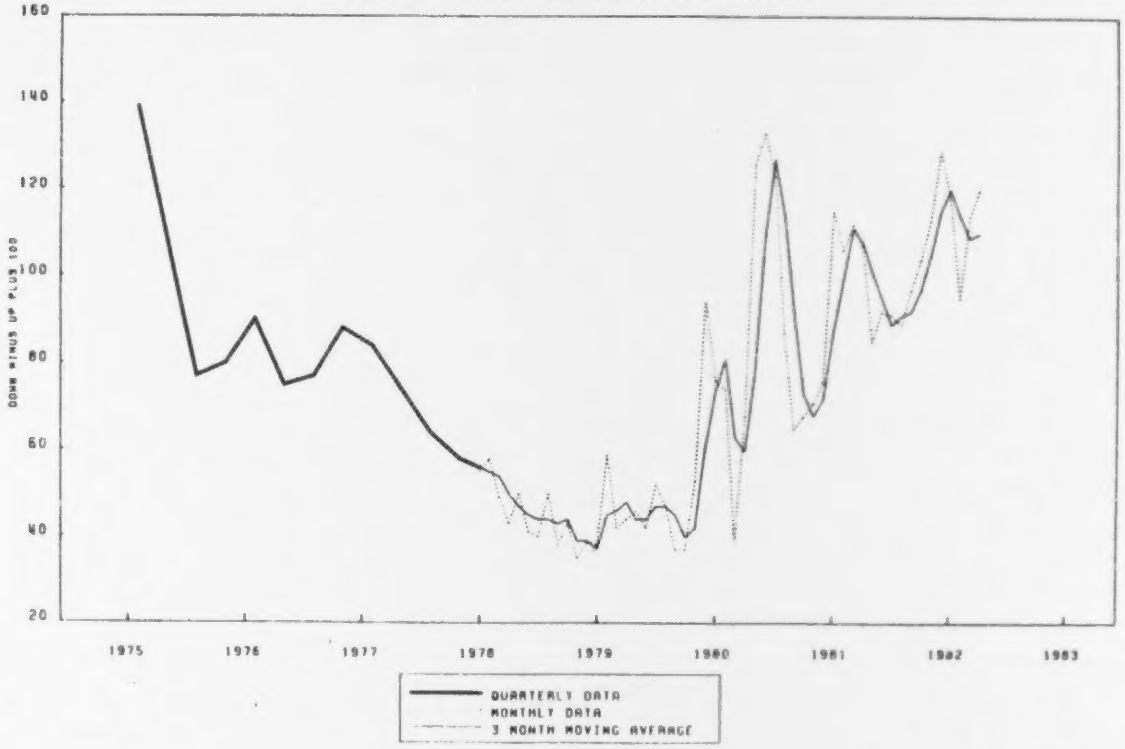
## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

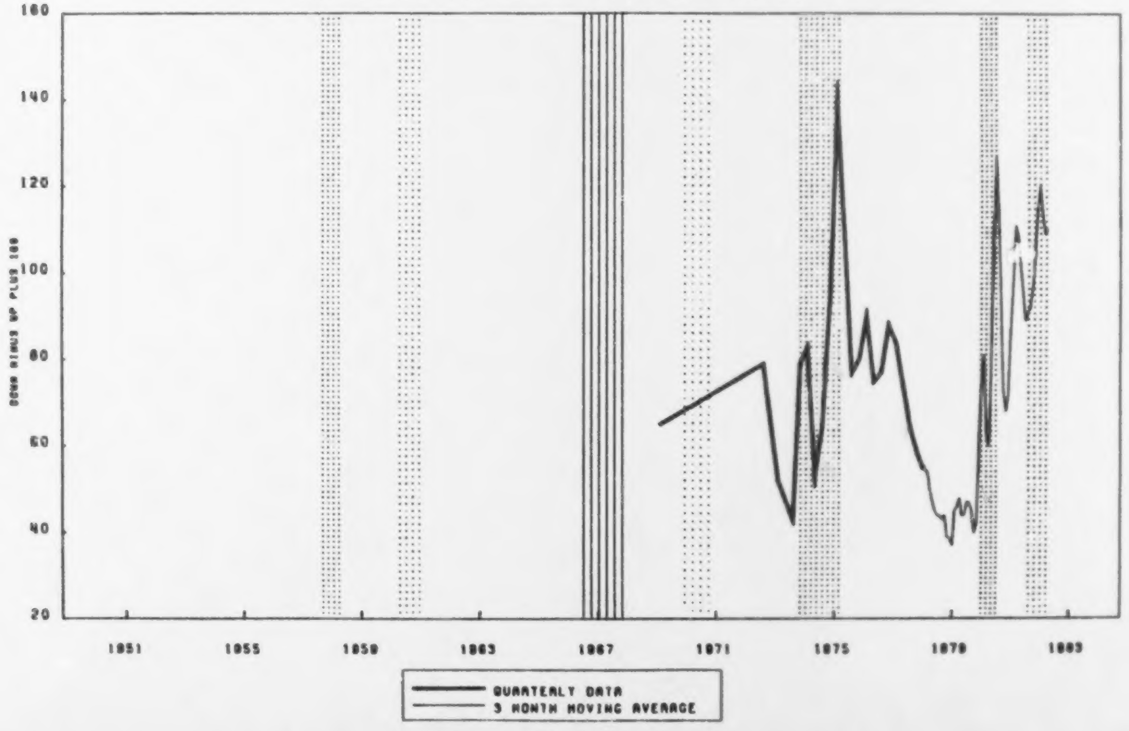
| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 17% | 17% | 18% | 18% | 14% | 15% | 11% | 11% | 11% | 16% | 13% | 13% | 14% |
| SAME | 41 | 46 | 44 | 44 | 47 | 45 | 38 | 33 | 28 | 34 | 33 | 32 | 34 |
| MORE | 40 | 36 | 36 | 36 | 36 | 39 | 50 | 54 | 59 | 49 | 52 | 54 | 50 |
| DK,NA | 2 | 1 | 2 | 2 | 3 | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

## CHART 21 - RECENT CHANGES
## EXPECTED CHANGE IN INTEREST RATES



## CHART 21 - HISTORICAL SERIES
## EXPECTED CHANGE IN INTEREST RATES



## TABLE 21

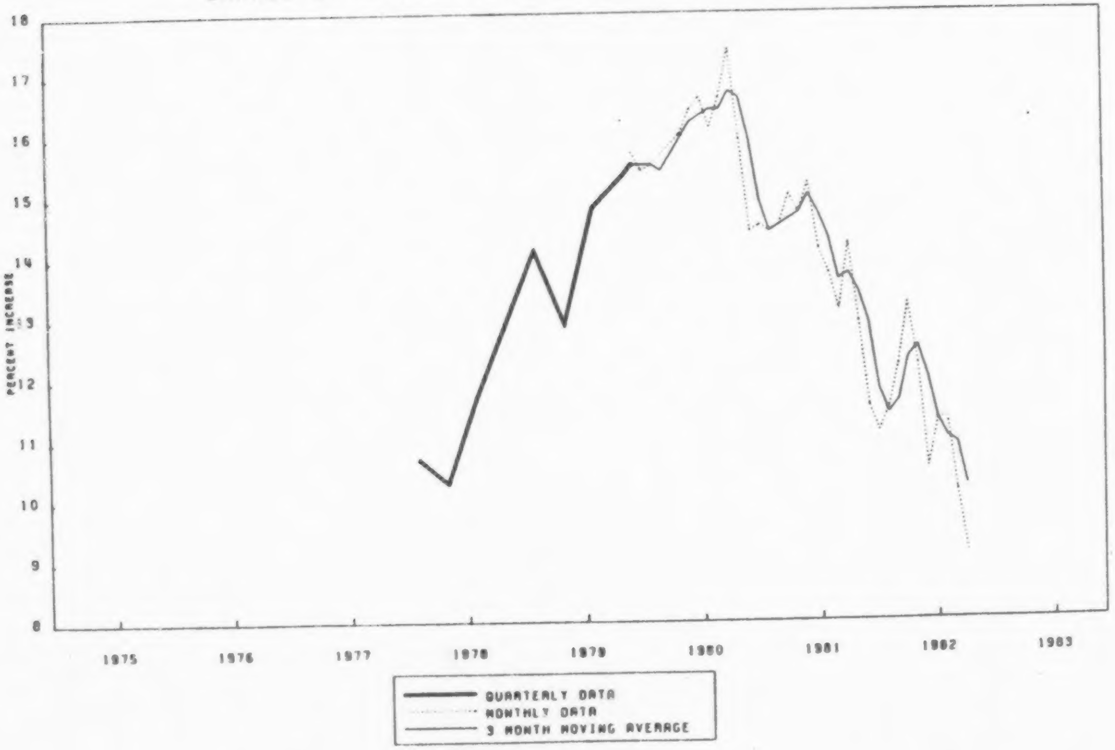
## EXPECTED CHANGE IN INTEREST RATES

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 31% | 41% | 38% | 38% | 37% | 33% | 31% | 29% | 21% | 25% | 34% | 25% | 22% |
| STAY THE SAME | 27 | 30 | 27 | 28 | 34 | 33 | 30 | 25 | 25 | 28 | 33 | 33 | 33 |
| GO DOWN | 38 | 26 | 30 | 29 | 26 | 30 | 35 | 42 | 50 | 43 | 29 | 39 | 42 |
| DK,NA | 4 | 3 | 5 | 5 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS



## TABLE 22

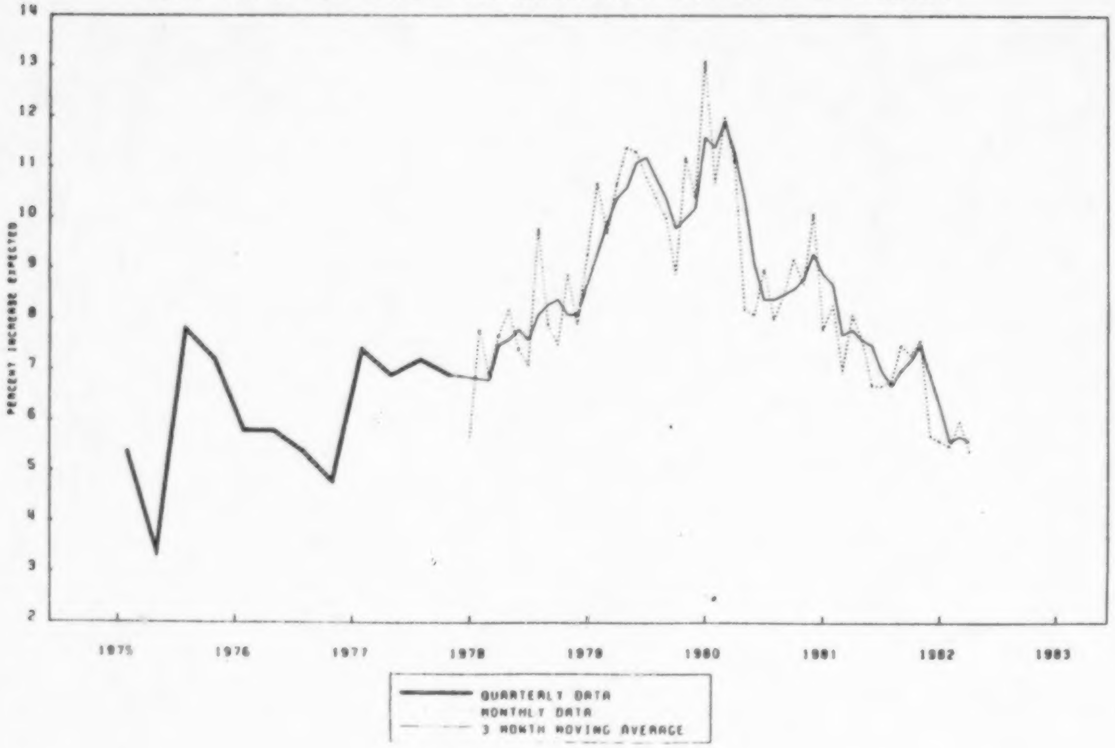
## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 4% | 5% | 9% | 10% | 11% | 10% | 8% | 7% | 10% | 11% | 13% | 15% | 15% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 4 | 2 | 4 | 4 | 4 | 3 | 4 | 2 | 4 | 4 | 4 | 5 | 4 |
| 3-4% | 5 | 7 | 7 | 7 | 7 | 5 | 6 | 7 | 7 | 5 | 6 | 7 | 7 |
| 5% | 6 | 8 | 11 | 11 | 10 | 9 | 9 | 11 | 11 | 11 | 11 | 13 | 12 |
| 6-9% | 12 | 10 | 12 | 12 | 11 | 15 | 12 | 14 | 15 | 17 | 14 | 12 | 14 |
| 10-14% | 26 | 31 | 28 | 24 | 25 | 25 | 26 | 26 | 28 | 24 | 24 | 24 | 24 |
| 15% or more | 30 | 27 | 24 | 24 | 23 | 24 | 27 | 24 | 19 | 22 | 22 | 19 | 17 |
| DK how much up | 13 | 10 | 5 | 8 | 9 | 8 | 8 | 8 | 6 | 6 | 6 | 5 | 7 |
| DK,NA | * | * | * | * | * | 1 | * | 1 | * | * | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 14.2 | 12.9 | 11.5 | 11.1 | 11.5 | 12.2 | 13.2 | 12.2 | 10.5 | 11.3 | 11.3 | 10.1 | 9.1 |
| VARIANCE | 156 | 123 | 110 | 111 | 114 | 143 | 156 | 134 | 104 | 126 | 132 | 114 | 83 |
| CASES | 690 | 667 | 675 | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

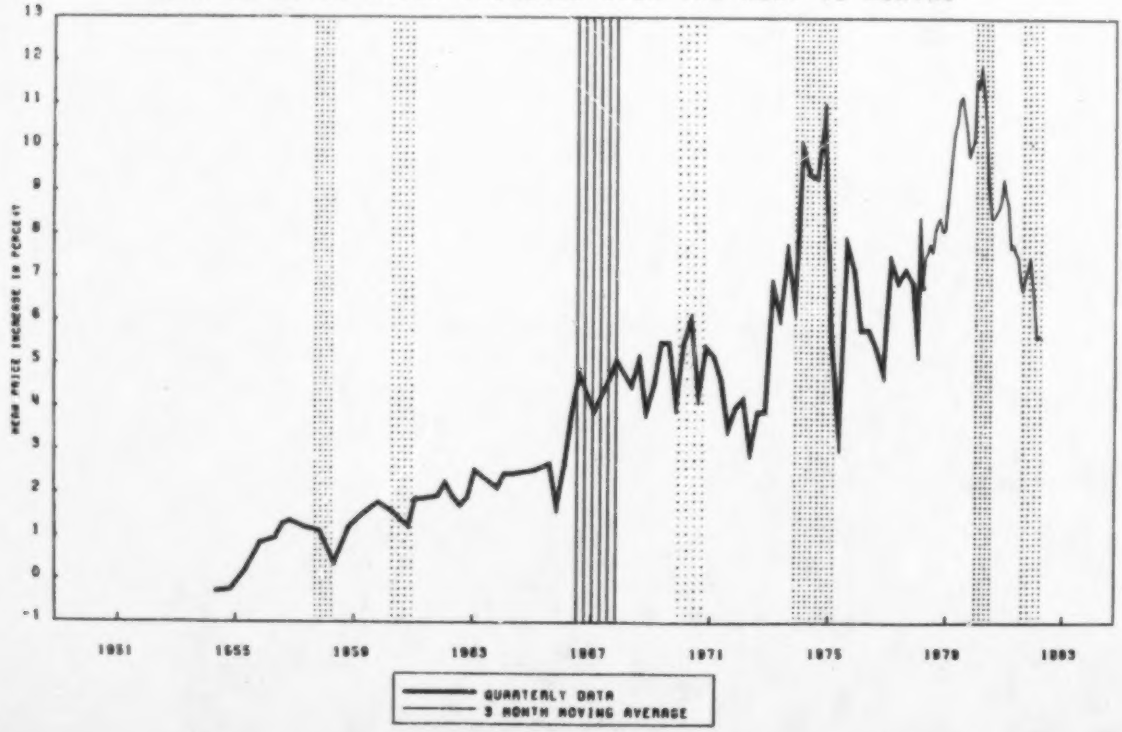
The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

## CHART 23 - RECENT CHANGES
## MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## CHART 23 - HISTORICAL SERIES
## MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

|  | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 27% | 25% | 31% | 31% | 28% | 30% | 27% | 27% | 35% | 36% | 38% | 32% | 33% |
| WILL GO UP BY: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1-2% | 4 | 2 | 4 | 2 | 6 | 5 | 5 | 4 | 4 | 5 | 4 | 7 | 4 |
| 3-4% | 7 | 8 | 7 | 7 | 7 | 8 | 7 | 6 | 8 | 8 | 7 | 11 | 7 |
| 5% | 9 | 10 | 9 | 10 | 12 | 10 | 12 | 11 | 12 | 13 | 12 | 11 | 16 |
| 6-9% | 9 | 13 | 12 | 15 | 12 | 11 | 14 | 11 | 14 | 11 | 12 | 12 | 10 |
| 10-14% | 20 | 22 | 22 | 18 | 16 | 17 | 17 | 22 | 14 | 13 | 14 | 12 | 16 |
| 15% or more | 14 | 11 | 10 | 10 | 11 | 13 | 12 | 11 | 8 | 8 | 7 | 11 | 8 |
| DK how much up | 8 | 7 | 4 | 7 | 5 | 5 | 5 | 6 | 3 | 4 | 5 | 2 | 3 |
| DK,NA | 2 | 2 | 1 | * | 3 | 1 | 1 | 2 | 2 | 2 | 1 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 8.1 | 7.6 | 6.7 | 6.7 | 6.8 | 7.5 | 7.3 | 7.6 | 5.7 | 5.6 | 5.5 | 6.0 | 5.4 |
| VARIANCE | 97 | 79 | 62 | 70 | 70 | 91 | 71 | 84 | 62 | 59 | 59 | 85 | 54 |
| CASES | 690 | 667 | 675 | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

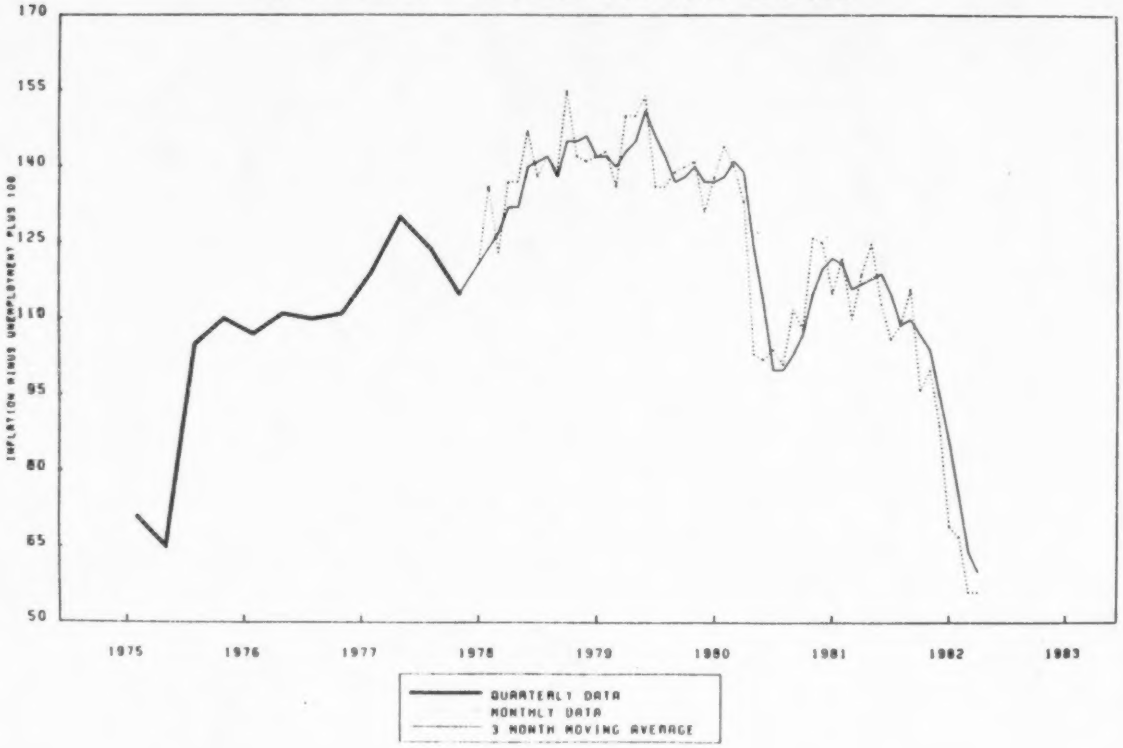
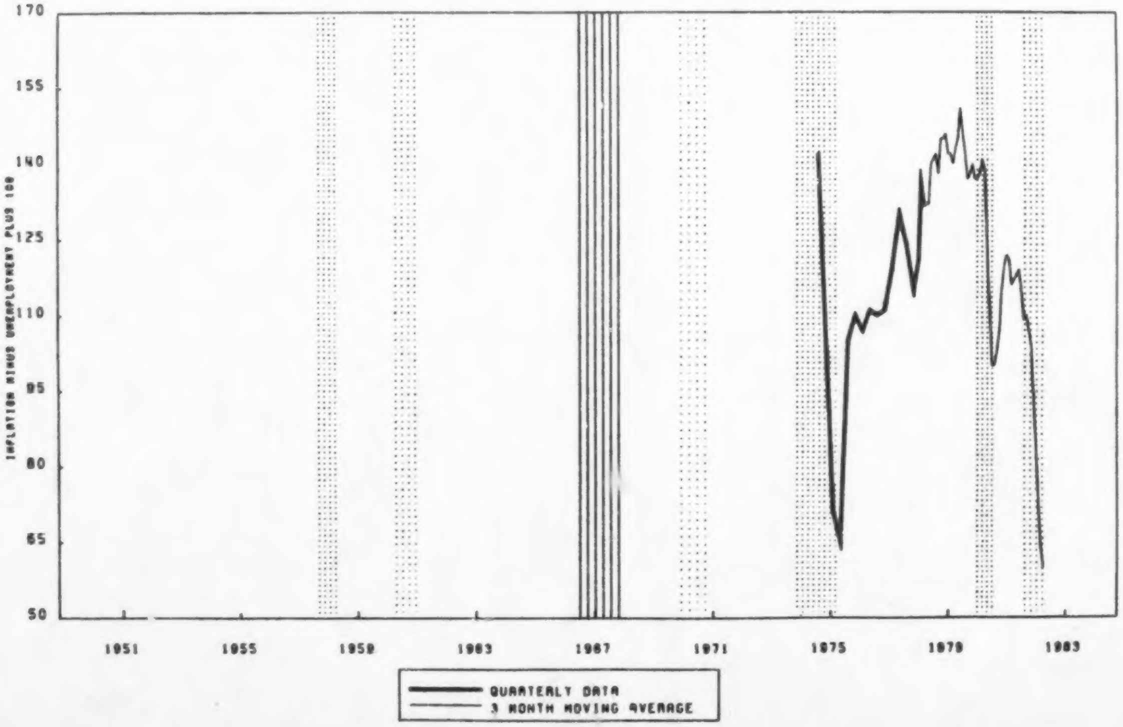


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS



## TABLE 24

## UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 35% | 33% | 36% | 42% | 39% | 37% | 45% | 43% | 49% | 60% | 59% | 66% | 65% |
| BOTH EQUALLY SERIOUS | 8 | 8 | 14 | 9 | 11 | 9 | 12 | 13 | 11 | 10 | 14 | 11 | 13 |
| INFLATION | 54 | 58 | 49 | 48 | 48 | 53 | 41 | 43 | 38 | 29 | 26 | 22 | 21 |
| DK,NA | 3 | 1 | 1 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

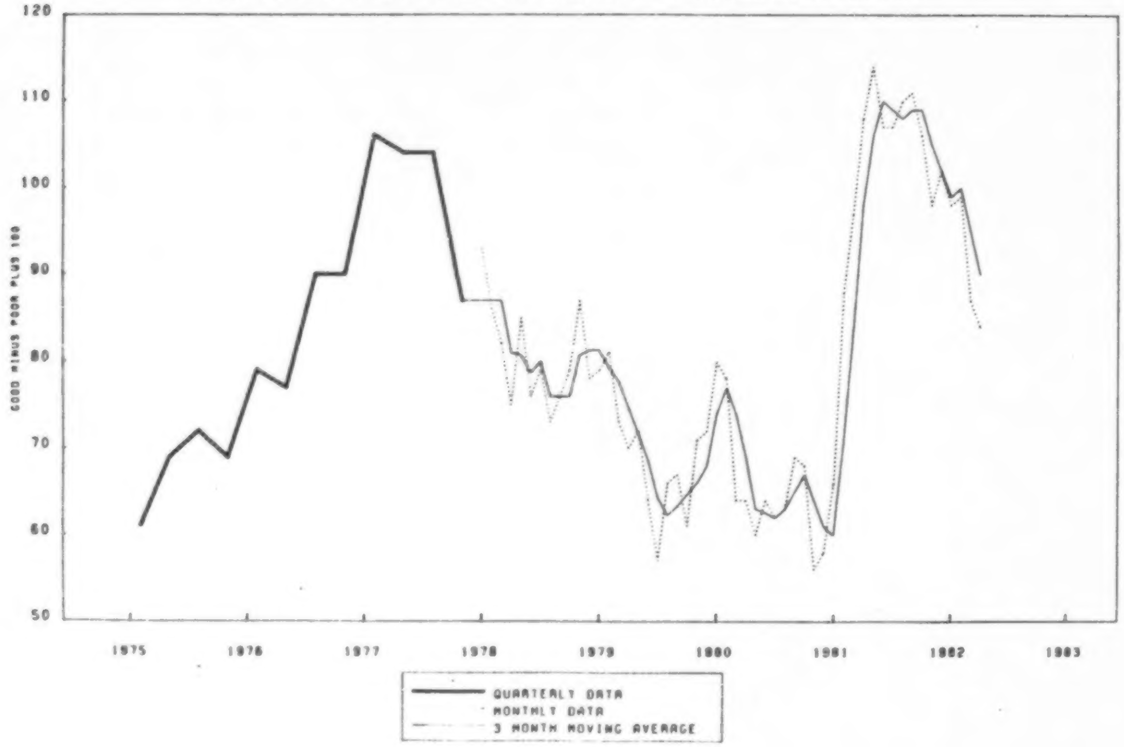
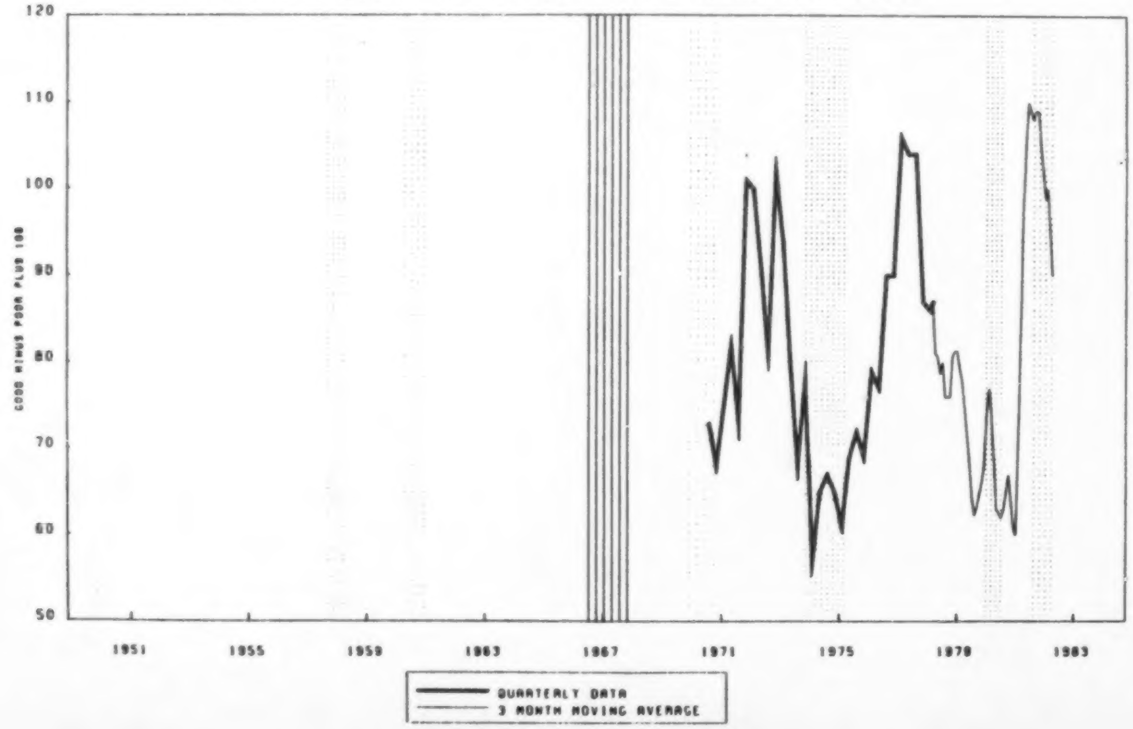


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 28% | 30% | 25% | 28% | 31% | 31% | 31% | 23% | 26% | 25% | 27% | 18% | 22% |
| ONLY FAIR | 47 | 49 | 54 | 47 | 44 | 45 | 41 | 49 | 47 | 46 | 42 | 48 | 37 |
| A POOR JOB | 20 | 16 | 18 | 21 | 21 | 20 | 25 | 25 | 24 | 27 | 28 | 31 | 38 |
| DK,NA | 5 | 5 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

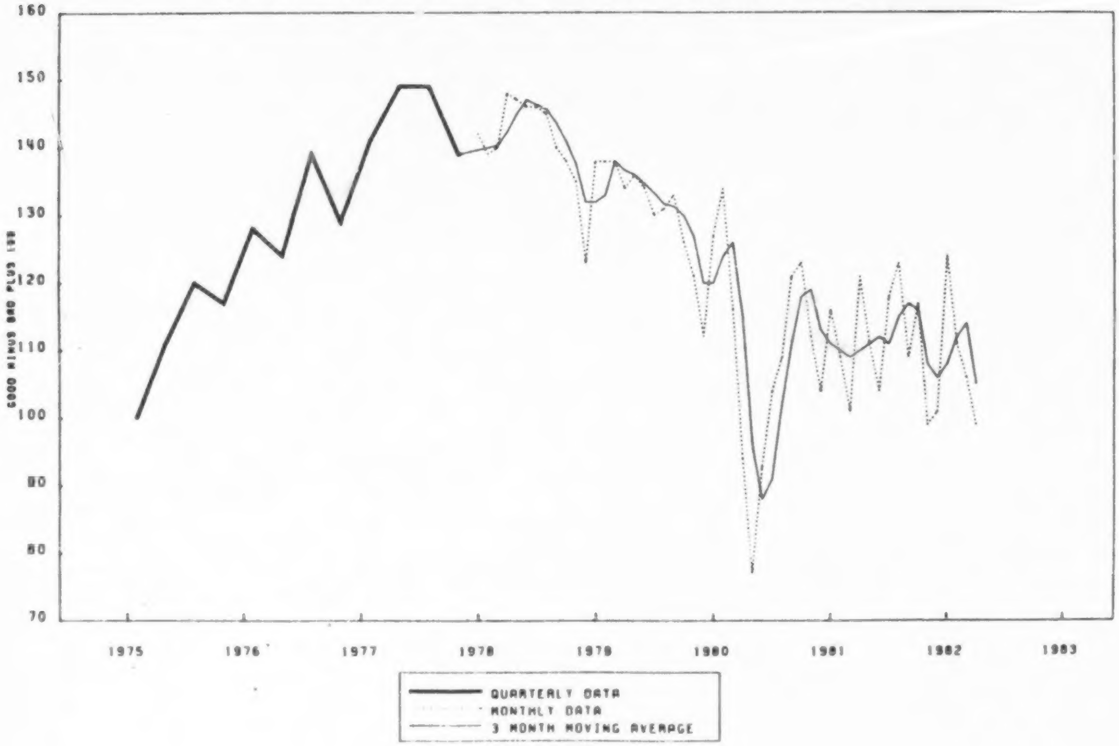
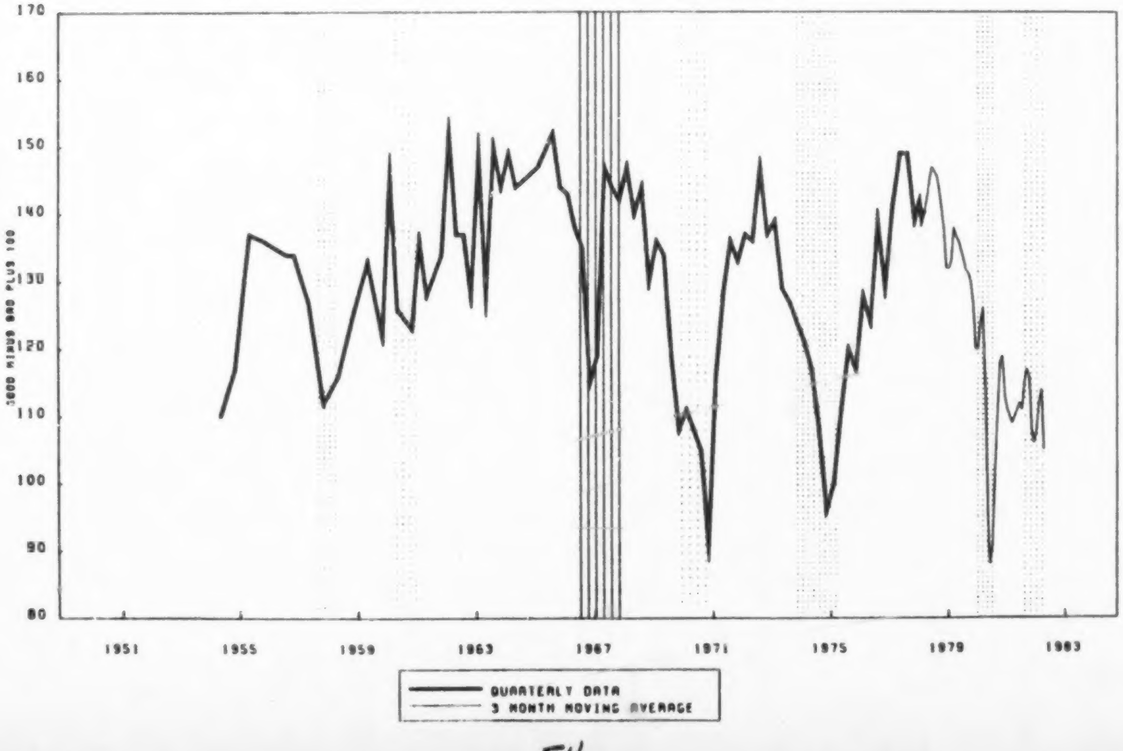


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## TABLE 26

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 54% | 50% | 44% | 53% | 55% | 44% | 52% | 43% | 44% | 57% | 48% | 48% | 41% |
| UNCERTAIN, DEPENDS | 13 | 11 | 16 | 12 | 13 | 21 | 13 | 13 | 13 | 10 | 15 | 10 | 17 |
| BAD TIME TO BUY | 33 | 39 | 40 | 35 | 32 | 35 | 35 | 44 | 43 | 33 | 37 | 42 | 42 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

## TABLE 27

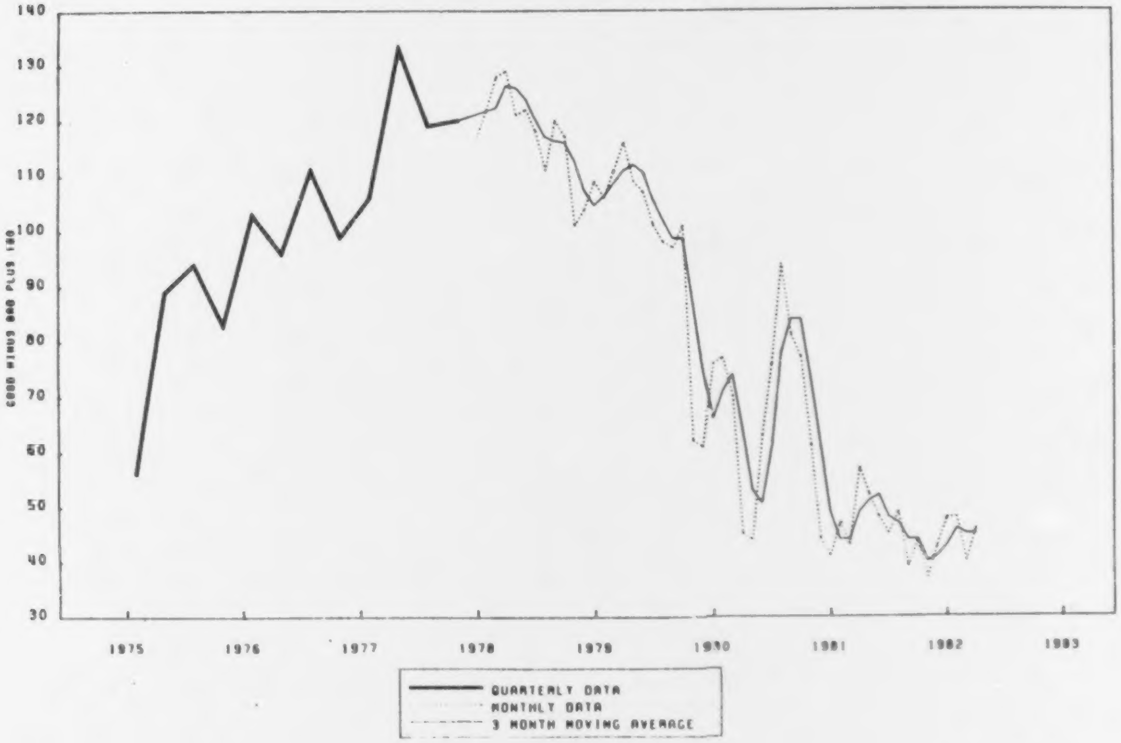
## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 21% | 16% | 20% | 24% | 24% | 20% | 21% | 19% | 26% | 32% | 30% | 32% | 29% |
| Prices won´t come down; are going higher | 31 | 30 | 23 | 27 | 26 | 21 | 25 | 20 | 21 | 22 | 18 | 15 | 14 |
| Interest rates low; credit is easy | 2 | 3 | 1 | 2 | 3 | 1 | 1 | 2 | 2 | 3 | 2 | 1 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 19 | 25 | 22 | 23 | 17 | 21 | 19 | 25 | 26 | 17 | 22 | 22 | 23 |
| Interest rates are high; credit is tight | 17 | 18 | 23 | 17 | 21 | 21 | 17 | 23 | 21 | 18 | 19 | 24 | 26 |
| Lack of purchasing power | 12 | 9 | 13 | 8 | 7 | 9 | 11 | 12 | 15 | 13 | 15 | 18 | 19 |

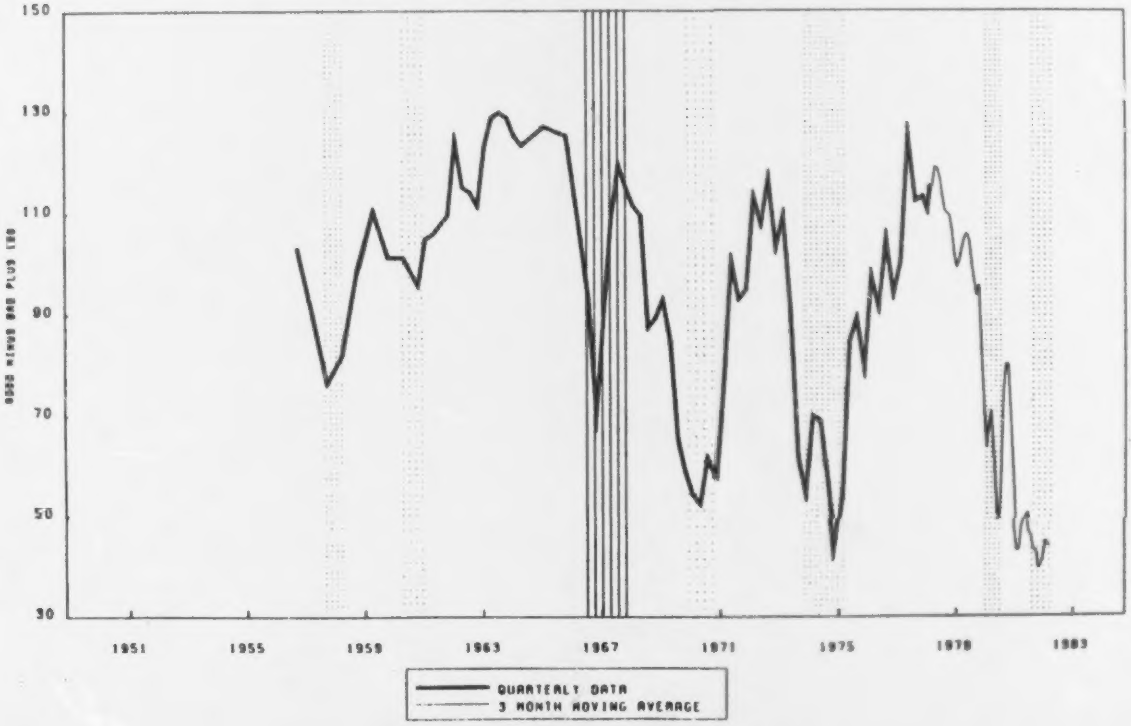
Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

## CHART 28 - RECENT CHANGES
## BUYING CONDITIONS FOR HOUSES



## CHART 28 - HISTORICAL SERIES
## BUYING CONDITIONS FOR HOUSES



## TABLE 28

## BUYING CONDITIONS FOR HOUSES

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 26% | 24% | 20% | 20% | 21% | 15% | 18% | 16% | 19% | 21% | 21% | 17% | 20% |
| UNCERTAIN, DEPENDS | 5 | 4 | 8 | 5 | 7 | 9 | 8 | 5 | 5 | 6 | 6 | 6 | 6 |
| BAD TIME TO BUY | 69 | 72 | 72 | 75 | 72 | 76 | 74 | 79 | 76 | 73 | 73 | 77 | 74 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

## TABLE 29

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 5% | 5% | 5% | 5% | 6% | 5% | 7% | 7% | 12% | 13% | 11% | 13% | 15% |
| Prices won't come down; are going higher | 12 | 10 | 10 | 10 | 10 | 7 | 9 | 7 | 7 | 5 | 5 | 7 | 4 |
| Interest rates low; credit is easy | 9 | 7 | 5 | 6 | 8 | 6 | 4 | 4 | 6 | 8 | 7 | 4 | 6 |
| Good investment | 8 | 6 | 6 | 7 | 5 | 4 | 3 | 5 | 3 | 5 | 6 | 4 | 5 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 30 | 28 | 30 | 30 | 23 | 30 | 27 | 24 | 27 | 28 | 24 | 25 | 24 |
| Interest rates are high; credit is tight | 66 | 71 | 71 | 71 | 76 | 80 | 78 | 83 | 81 | 72 | 76 | 78 | 74 |
| Lack of purchasing power | 12 | 11 | 13 | 12 | 11 | 15 | 11 | 17 | 21 | 22 | 19 | 23 | 22 |

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

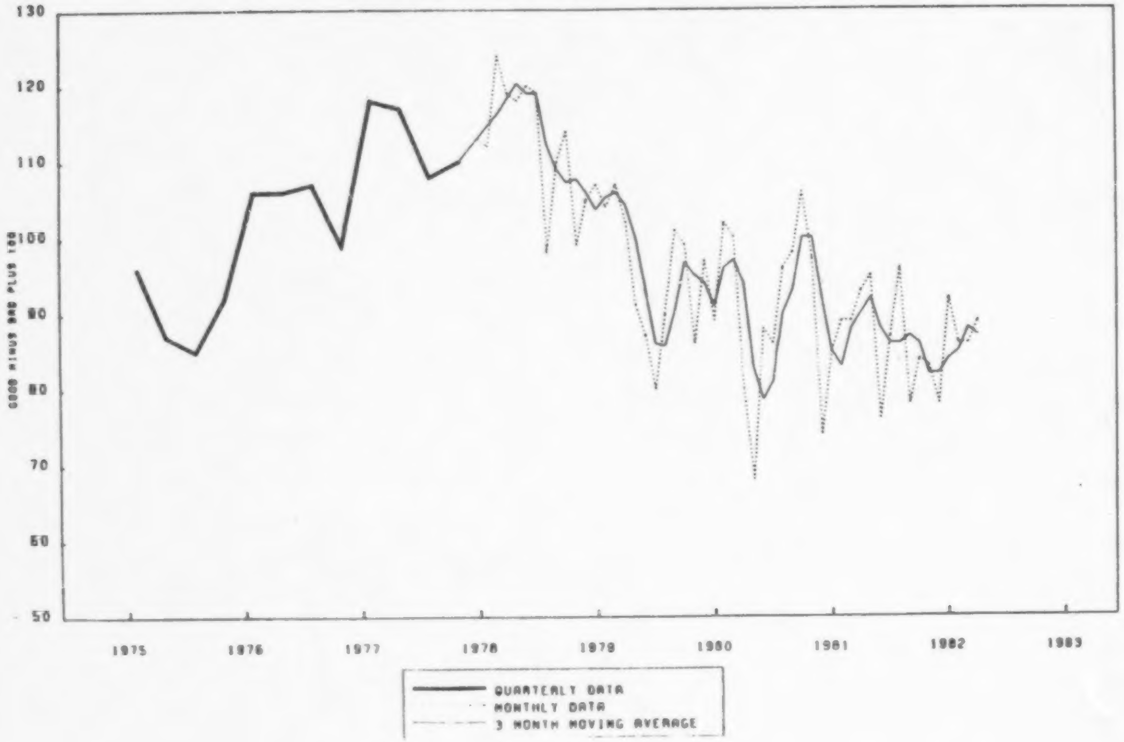
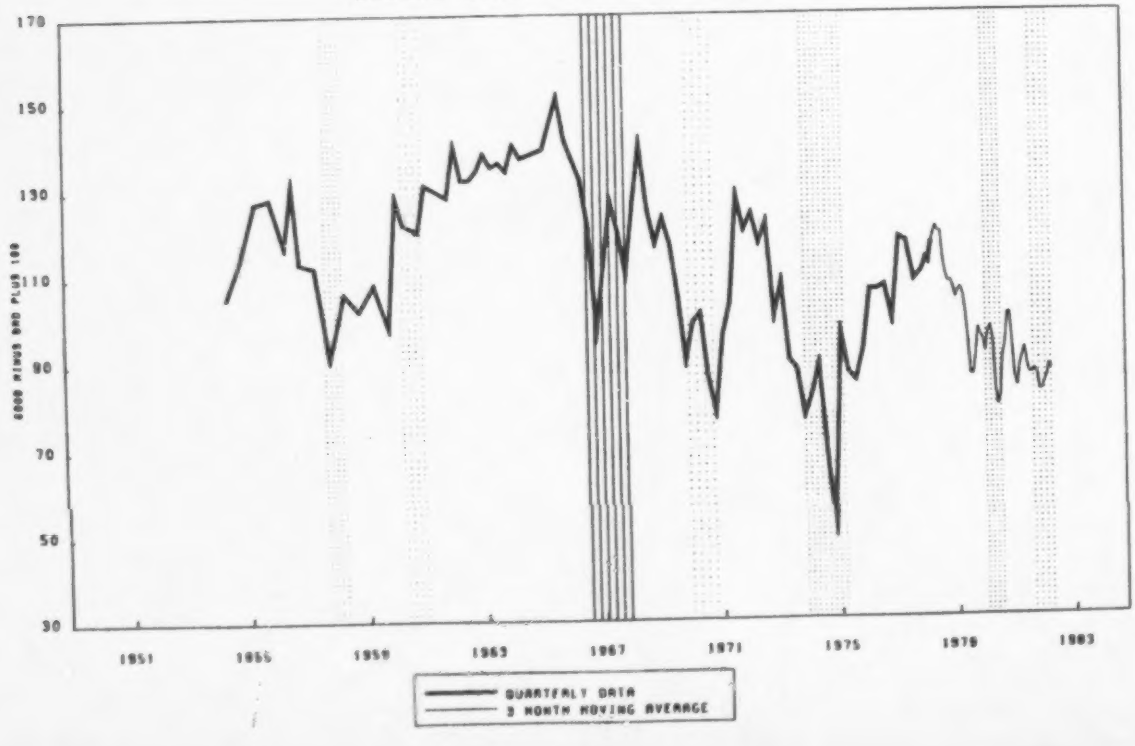


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



## TABLE 30

## BUYING CONDITIONS FOR CARS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 42% | 44% | 33% | 40% | 43% | 34% | 37% | 37% | 34% | 41% | 37% | 39% | 40% |
| UNCERTAIN; DEPENDS | 9 | 7 | 10 | 7 | 10 | 10 | 10 | 9 | 10 | 10 | 12 | 8 | 9 |
| BAD TIME TO BUY | 49 | 49 | 57 | 53 | 47 | 56 | 53 | 54 | 56 | 49 | 51 | 53 | 51 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

## TABLE 31

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 25% | 23% | 14% | 17% | 19% | 14% | 20% | 21% | 22% | 29% | 33% | 37% | 36% |
| Prices won´t come down; are going higher | 19 | 15 | 12 | 18 | 18 | 15 | 14 | 12 | 12 | 11 | 6 | 8 | 7 |
| Interest rates low; credit is easy | 3 | 4 | 2 | 3 | 5 | 6 | 4 | 5 | 5 | 6 | 3 | 3 | 7 |
| New fuel efficient models | 4 | 5 | 5 | 5 | 4 | 4 | 2 | 1 | 1 | 2 | 2 | 1 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 31 | 33 | 34 | 33 | 26 | 30 | 36 | 32 | 37 | 31 | 33 | 32 | 28 |
| Interest rates are high; credit is tight | 22 | 17 | 28 | 25 | 26 | 31 | 29 | 26 | 27 | 26 | 28 | 30 | 29 |
| Lack of purchasing power | 8 | 6 | 6 | 6 | 5 | 8 | 7 | 8 | 13 | 13 | 12 | 16 | 13 |
| Price of gas; shortages | 5 | 3 | 2 | 3 | 4 | 3 | 1 | 2 | 2 | 2 | 2 | 1 | 1 |
| Poor selection; quality | 8 | 10 | 9 | 11 | 8 | 9 | 8 | 10 | 9 | 8 | 9 | 7 | 8 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 15% | 17% | 17% | 14% | 19% | 17% | 14% | 19% | 19% | 16% | 17% | 14% | 17% |
| CHANCES ARE EVEN | 8 | 9 | 8 | 7 | 7 | 3 | 7 | 6 | 7 | 8 | 7 | 7 | 6 |
| PROBABLY WILL NOT BUY | 65 | 63 | 66 | 64 | 59 | 67 | 70 | 66 | 64 | 67 | 68 | 70 | 67 |
| DK,NA | 12 | 11 | 9 | 15 | 15 | 13 | 9 | 9 | 10 | 9 | 8 | 9 | 10 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 690 | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 23% | 26% | 25% | 21% | 26% | 20% | 21% | 25% | 26% | 24% | 24% | 21% | 23% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 11 | 11 | 10 | 9 | 12 | 9 | 10 | 11 | 11 | 9 | 11 | 11 | 11 |
| Buy used | 10 | 12 | 11 | 9 | 11 | 9 | 9 | 12 | 13 | 13 | 11 | 9 | 11 |
| Lease | 1 | 1 | 2 | 2 | 2 | 1 | 1 | * | 1 | 1 | 1 | * | 1 |
| DK,NA | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | * |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 5 | 5 | 2 | 5 | 3 | 2 | 4 | 2 | 1 | 5 | 3 | 1 | 4 |
| Next 4-6 months | 8 | 5 | 7 | 6 | 7 | 4 | 6 | 6 | 5 | 7 | 6 | 5 | 7 |
| Next 7-9 months | 5 | 7 | 7 | 2 | 3 | 5 | 3 | 8 | 10 | 6 | 7 | 5 | 6 |
| 10 months or more | 2 | 3 | 5 | 3 | 7 | 5 | 4 | 4 | 6 | 3 | 5 | 6 | 2 |
| DK,NA | 3 | 6 | 4 | 5 | 6 | 4 | 4 | 5 | 4 | 3 | 3 | 4 | 4 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

# TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | Apr. 1981 | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 65% | 63% | 66% | 64% | 59% | 67% | 70% | 66% | 64% | 67% | 68% | 70% | 67% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 39 | 37 | 37 | 35 | 34 | 33 | 38 | 34 | 33 | 36 | 37 | 38 | 39 |
| Would buy used | 24 | 25 | 27 | 27 | 23 | 31 | 29 | 29 | 29 | 30 | 28 | 31 | 26 |
| DK,NA | 2 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 2 | 1 | 3 | 1 | 2 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 9 | 6 | 5 | 4 | 7 | 5 | 5 | 7 | 6 | 7 | 5 | 10 | 5 |
| 2 years | 19 | 22 | 20 | 19 | 18 | 23 | 20 | 18 | 22 | 23 | 22 | 22 | 21 |
| 3 years | 9 | 10 | 11 | 11 | 10 | 10 | 11 | 8 | 9 | 12 | 11 | 11 | 12 |
| 4 years or more | 22 | 15 | 20 | 18 | 18 | 21 | 24 | 19 | 19 | 19 | 22 | 21 | 22 |
| Indefinite | 3 | 4 | 5 | 5 | 1 | 2 | 4 | 4 | 3 | 3 | 1 | 1 | 1 |
| DK,NA | 3 | 6 | 5 | 7 | 5 | 6 | 6 | 10 | 5 | 3 | 7 | 5 | 6 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

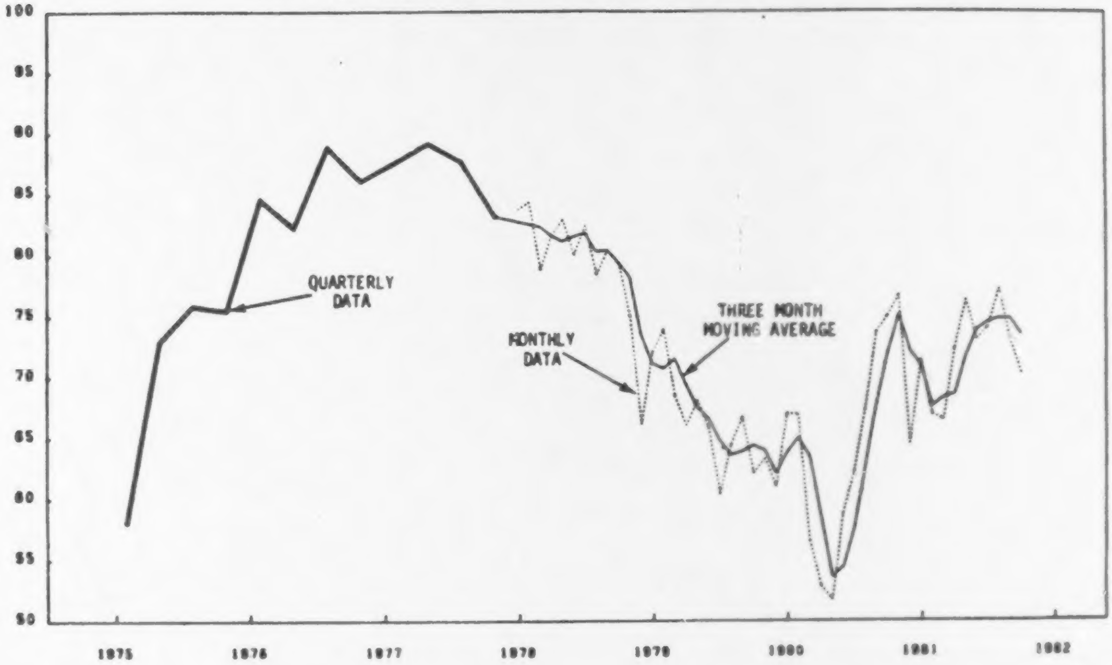
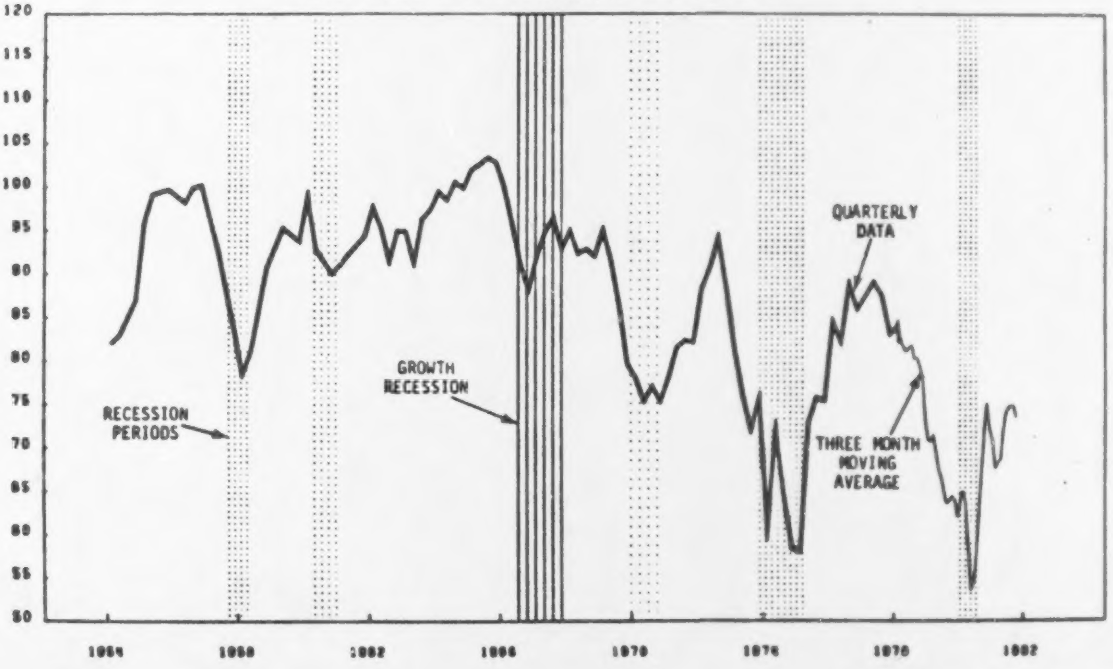


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

## TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 -

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

# SUMMARY

U7475-2

May 4, 1982

APRIL 1982 MONTHLY REPORT

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## TAXES NOT DEFICITS WORRY CONSUMERS

** The Index of Consumer Sentiment stood at 65.5 in the April 1982 survey, up 3.5 Index-points from March, but 6.9 Index-points below the year-earlier reading. The recent improvement in sentiment resulted from less pessimistic evaluations of business conditions.

** Heightened concerns with unemployment dominated consumer attitudes in the April 1982 survey: more than eight-in-ten consumers thought unemployment would further increase or remain at the current high levels in the year ahead; unemployment rather than inflation was viewed as the more serious economic problem facing the nation by a three-to-one margin; overall confidence in government economic policies declined as concerns about unemployment have overshadowed declines in inflation.

** The personal financial situation of consumers has improved due to lower rates of inflation, but much of this improvement has been offset by income declines due to increases in unemployment. The April 1982 survey recorded the highest proportion of households in more than two decades to report income declines (23 percent).

** Federal budget deficits are not viewed by consumers as the determining factor of future business conditions. The majority of consumers (53 percent) do not think the expected budget deficit will have a significant impact on the future course of the economy. Increasing personal income taxes to reduce the deficit was expected to worsen business conditions more frequently than the deficit itself.

** Attitudes toward buying conditions for houses, vehicles, and large household durables remained near record low levels in the April 1982 survey. Improvement in buying attitudes due to lower prices and rebates has been blocked by high interest rates. One-in-three households continue to report postponement of major purchases in the April 1982 survey.

** Proposals to offer tax credits on the purchase of newly built homes and domestic vehicles were viewed with favor by consumers insofar as the tax credits would stimulate recovery in the economy, but consumers would not favor the proposals if personal income taxes rose as a result. Despite this reservation, if the tax credits were offered, 22 percent of all American households would be more likely to purchase a newly built house or domestic vehicle.

## Unemployment Dominates Attitudes

The economy was in recession according to 81 percent of all consumers in the April 1982 survey, down somewhat from 87 percent recorded in March, but significantly above the 57 percent recorded one year earlier. When respondents were asked about what recent changes in business conditions they had heard and could recall, spreading unemployment was mentioned by 41 percent of all respondents in April 1982, up from just 19 percent last April.

In each of the past seven monthly surveys, about half of all American families expected unemployment to increase during the year ahead. In addition to the 50 percent that expected further increases in the April 1982 survey, another 34 percent expected the unemployment rate to remain at its same record high levels during the upcoming year. Just 14 percent in the April 1982 survey expected unemployment rates to decline during the year ahead.

Coupled with declines in inflation, three times as many families in the April 1982 survey thought that unemployment rather than inflation was the more serious economic hardship facing the nation (65 versus 21 percent). The three-to-one margin recorded in both the March and April 1982 surveys represents a greater concern with unemployment than was recorded during the 1974-75 recession.

Following a rapid increase in favorable expectations in late 1980 and early 1981, prospects for future business conditions have become somewhat less favorable during the past year: future improvements rather than further declines in business conditions were still more frequently expected in the April 1982 survey (32 versus 28 percent), but the margin of favorable opinion narrowed considerably from a year earlier (36 versus 21 percent). When asked to explain why they thought the economy would improve or worsen, continued problems with unemployment were expected by 14 percent of all respondents in the April 1982 surveys, up from 6 percent one year earlier. In addition, favorable expectations stemming from renewed confidence in government economic policies have diminished. One year ago many more respondents expected government economic policies to help improve rather than worsen furture prospects for the economy (31 versus 8 percent), but by April 1982 a much lower proportion favorably referred to government economic policies, and a nearly equal number made spontaneous unfavorable references (14 versus 13 percent). Overall confidence in government policies to reduce both inflation and unemployment declined in the April 1982 survey from the month earlier and the year earlier readings. Among all families, 38 percent rated government economic policies unfavorably in April 1982 (up from 20 percent one year earlier), while 22 percent rated government policies favorably (down from 28 percent). These results indicate that concerns about unemployment have more than offset improvements due to declines in inflation.

## Personal Finances: Lower Prices and Lower Incomes

The April 1982 survey marks the end of the second year since consumers' evaluations of their personal financial situation reached an all-time record unfavorable level. During the past two years, evaluations of personal finances have shown modest improvement, mainly due to the recent lower rates of inflation, and not as much to actual improvements in incomes. From April 1980 to April 1982, the proportion of families that reported a worsened financial situation fell from 51 to 40 percent, while the proportion that reported improved finances rose only from 24 to 27 percent. When respondents were asked to explain how their financial situation had changed, mentions of the adverse impact of inflation on family budgets dropped from 45 percent in April 1980 to 29 percent in April 1982. Offsetting the gains from lower rates of inflation during the first four months of 1982, one-in-five American households reported that their total money income had declined during the past year. The 23 percent of all American households that reported income declines in the April 1982 survey was the highest proportion recorded in more than two decades.

Prospects for personal finances reached record unfavorable levels in the April 1979 survey, one year prior to the record low evaluations of current financial conditions. During the past three years the overall balance of expectations has reversed: in April 1979 more families expected their financial situation to worsen than to improve (21 versus 31 percent), while by the April 1982 survey families more frequently expected their financial situation to improve (31 versus 20 percent). Most of this improvement, however, was recorded prior to April 1981, with little net change recorded during the past year. Declines in price expectations, which in part prompted the earlier improvement, have now been partially offset by lower income expectations. Among all families, 18 percent reported in the April 1982 survey that they expected their nominal income to decline during the year ahead, up from 10 percent recorded one year earlier.

## High Interest Rates Block Purchase Plans

Attitudes toward buying conditions for houses, vehicles, and large household durables remained near record low levels in the April 1982 survey. Proportionately more respondents rated buying conditions unfavorably in each market studied, with the margin of unfavorable opinion widest for housing (74 versus 20 percent), followed by vehicles (51 versus 40 percent), and household durables (42 versus 41 percent). Although the margin of unfavorable opinion toward the household durables market was small, the April 1982 survey was only the seventh survey conducted during the past two decades to record an unfavorable balance of opinion.

High interest rates were the most frequent reason cited by consumers for these unfavorable views. In April 1982, references to high interest rates remained near record levels--mentioned by 74 percent with regard to the housing market (record peak: 83 percent in November 1981), by 29 percent in evaluations of the auto market (record peak: 31 percent in September 1981), and by 26 percent when asked to evaluate household durables (record peak: 31 percent in May 1980). This aversion to high interest rates was also documented by the continued widespread postponement of purchases. In the April 1982 survey, one-third of all households reported that they had postponed making a purchase due to high interest rates, unchanged from the January and February 1982 readings (see Table A). The vehicle and housing markets each recorded postponement by 12 percent of all families. The median difference between the interest rate that would have been charged on the postponed purchase and the highest interest rate the consumer would be willing to pay was 4.9% across all items, essentially unchanged during early 1982 (see Table B).

Although high interest rates have effectively blocked any improvement in overall attitudes toward buying conditions, lower prices and rebates have made attitudes toward buying conditions otherwise more favorable. More respondents mentioned the attraction of low prices in both the automobile and large household durable markets than referred to the negative effect of high prices. Even with regard to the housing market where high prices still dominate, the proportion that referred to lower prices rose from 5 to 15 percent over the past year.

## Budget Deficits and Income Taxes

Respondents in the April 1982 survey were asked how they thought the expected federal budget deficits would affect future business conditions. More respondents expected the economy to worsen rather than improve under the weight of larger budget deficits (33 versus 7 percent). However, the majority (53 percent) thought the expected federal budget deficits would not have a significant impact on upcoming business conditions (see Table C).

One of the most frequently suggested methods to lower budget deficits has been to raise personal income taxes by delaying the implementation of the scheduled tax cuts. When asked whether increasing personal income taxes to lower the deficit would help improve or worsen business conditions, respondents more frequently expected business conditions to worsen (44 percent) or remain unchanged (36 percent) rather than to improve (14 percent) if taxes were raised (Table C). Consequently, raising personal income taxes to reduce the deficit was viewed as more damaging to future business conditions than the expected deficit itself. Even among those respondents that expected the budget deficits to worsen future business conditions, very few thought that increases in personal income taxes would improve business conditions.

## Tax Credits

The April 1982 survey also measured consumer attitudes toward tax credits for purchases of newly built houses and domestic autos. When asked whether they favored giving federal tax credits to purchasers, 59 percent of all families thought it would be a good idea, while 31 percent had unfavorable opinions. When asked why they favored or opposed the tax credit proposal, the most frequent reasons given in support of the program were that it would stimulate the economy and help consumers to afford these purchases. Unfavorable opinions about the tax credits were based on cost, and doubts about the effectiveness and the fairness of the proposal (see Table D).

Respondents were asked if they would still favor the tax credit proposal if it resulted in an increase in personal income taxes. The original 59 percent that favored the proposal was reduced to just 23 percent that would favor the proposal if income taxes were increased as a result. Similarly, the proportion that viewed these tax credits with disfavor doubled from 31 to 62 percent (see Table D).

Despite the lack of support for the passage of the tax credit proposal, 22 percent of American households reported that if the tax credits were adopted they would be more likely to make a purchase. Among all households, 16 percent mentioned being more likely to purchase a domestic vehicle, and 11 percent mentioned the purchase of a newly built home (see Table E).

* * *

The April 1982 survey included 702 interviews conducted between March 25th and April 25.

## TABLE A

### INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | June 1980 | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 |
|---|---|---|---|---|---|---|
| Postponed Purchases:[a] | 15% | 30% | 37% | 33% | 33% | 33% |
| Vehicles | 5 | 11 | 15 | 12 | 10 | 12 |
| House, home repairs | 2 | 11 | 15 | 10 | 11 | 12 |
| Household durables | 7 | 8 | 8 | 10 | 10 | 8 |
| Other | 1 | 4 | 5 | 6 | 7 | 8 |
| Did not postpone purchase | 84 | 67 | 62 | 66 | 66 | 67 |
| Don't know, not ascertained | 1 | 3 | 1 | 1 | 1 | * |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

---

[a] Items add to more than total, due to multiple mentions.

See Table B for question wording.

*Less than half of one percent.

## TABLE B

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | | | | | | April 1982 | | |
|---|---|---|---|---|---|---|---|---|
| | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 | Vehicles | House, Real Estate | Household Durables |
| Postponed Purchases | | | | | | | | |
| All households | 30% | 37% | 33% | 33% | 33% | 12% | 12% | 8% |
| Interest rate that would have been charged on postponed purchase | | | | | | | | |
| Median | 17.3% | 17.6% | 17.5% | 17.8% | 17.5% | 17.3% | 17.2% | 17.8% |
| Highest interest willing to pay to make purchases | | | | | | | | |
| Median | 11.8% | 12.0% | 12.0% | 12.0% | 12.1% | 12.3% | 12.0% | 11.8% |
| Difference between interest rate charged and willing to pay | | | | | | | | |
| Median | 4.6% | 5.0% | 4.9% | 5.3% | 4.9% | 4.6% | 5.1% | 4.3% |

---

The questions asked were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October 1981 to April 1982: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest rate at which you would have purchased (ITEM)?"

## TABLE C

## EXPECTED IMPACT OF FEDERAL BUDGET DEFICIT ON THE ECONOMY

(April 1982)

| Expected Impact on Business Conditions | From Expected Budget Deficit | From Increase in Personal Taxes |
|---|---|---|
| Better | 7% | 14% |
| Worse | 33 | 44 |
| No difference | 53 | 36 |
| DK,NA | 7 | 6 |
| Total | 100% | 100% |
| Cases | 702 | 702 |

|  | Impact of Budget Deficits on Business Conditions |  |
|---|---|---|
|  | Worse | No Difference |
| All Households | 33% | 53% |
| Higher taxes to reduce deficits would make business conditions ... |  |  |
| Better | 14 | 11 |
| Worse | 56 | 39 |
| No difference | 29 | 45 |
| DK; NA | 1 | 5 |
| Total | 100% | 100% |

---

The questions were: "Do you think that the Federal budget deficit expected during the next year will make business conditions in the country as a whole better or worse than at present, or won't it make much difference?" and

"Do you think that raising personal income taxes to reduce the federal deficit would make business conditions in the country as a whole better or worse, or wouldn't it make much difference?"

## TABLE D

## CONSUMER ATTITUDES TOWARD TAX CREDITS FOR PURCHASES OF NEWLY BUILT HOUSES AND DOMESTIC VEHICLES

(April 1982)

| | General Opinion of Tax Credits | Opinion if Taxes Had to be Increased |
|---|---|---|
| Good idea | 59% | 23% |
| Pro-con | 3 | 3 |
| Bad idea | 31 | 62 |
| DK, NA | 7 | 12 |
| Total | 100% | 100% |
| Cases | 702 | 702 |

| | Reasons for General Opinion of Tax Credits |
|---|---|
| Favorable | |
| Stimulate economy | 47% |
| Help consumers | 17 |
| Promote domestic products | 9 |
| Unfavorable | |
| Won't help economy | 8% |
| Don't want government interference | 7 |
| Bad for government budget | 6 |
| Unfair to some people | 5 |
| Unfair to some industries | 4 |

---

The questions were: "It has been proposed that the government give a tax credit to purchasers of domestic autos and newly built houses. Do you think this proposal is a good idea or a bad idea?" "Why do you say so?" And: "If as a result income taxes were increased, do you still think this proposal would be a good idea?"

## TABLE E

## LIKELIHOOD OF PURCHASE OF NEWLY BUILT HOUSE OR DOMESTIC VEHICLE

| With Tax Credit... | | |
|---|---|---|
| More likely to purchase | 22% | |
| New domestic car or truck | | 11 |
| Newly built house | | 6 |
| Both new vehicle and house | | 5 |
| No difference in purchase plans | 68 | |
| Don't know | 10 | |
| Total | 100% | |

---

The question was: "Would a tax credit make you (and your family living there) more likely to buy a new domestic car or truck, more likely to buy a newly built house, or wouldn't it make any difference?"

## Price Expectations: Revised Estimates

During the past several years price expectations have declined considerably, and by early 1982 one-in-three respondents expected prices to remain unchanged or decline during the year ahead. Although the questionnaire wording refers to changes in the level of prices, some respondents could misinterpret the question as referring to the rate of inflation. In this event, a "same" response would not indicate a zero rate of increase, but the perceived past rate of inflation. The net effect would be to bias downward the estimated overall mean rate of expected inflation. Because of the greatly increased frequency of "same" responses in recent months, the March and April 1982 surveys specifically probed respondents that initially gave "same" responses as to whether they meant the rate or the level of prices would remain the same. Of the 31 percent that initially reported "same" responses in both March and April, 22 percent replied that they meant prices would remain at the same level, but 9 percent replied that they meant prices would increase at the same rate (see Table F). Consequently, the estimated proportion of families in April that expected price increases rose from 55 to 64 percent following the use of this probe.

When respondents were probed for the percentage rate that they meant by the "same rate," the extent of bias in the estimated mean price increases due to the misinterpretation of "same" responses was +0.7 percentage points in the April 1982 survey (4.7% mean increase when initial "same" responses were coded as a zero rate of inflation versus 5.4% after the adjustment). The extent of the potential bias is dependent on the overall frequency of "same" responses. For example, in March 1979 only 3 percent reported that they expected prices to remain "the same," while the April 1982 survey recorded 31 percent "same" responses, a level exceeded in only one other survey during the past 20 years. Consequently, the bias in estimated means is unlikely to exceed 1.0 percentage points.

Preliminary adjustments to the surveys conducted prior to March 1982 were established as follows: the ratio of "same rate" to "same level" responses observed in March and April 1982 was used to estimate the proportion of "same rate" responses in earlier surveys. The estimated proportion of "same rate" responses were then recoded from a zero rate of inflation to the mean percentage response among those that expected price increases. As shown in Table G the new estimated mean was only 0.1 percentage points higher in the March 1979 survey, but has averaged between 0.6 and 0.8 percentage points during the past year.

TABLE F

NEW MEASURES OF PRICE EXPECTATIONS

| | Expected Price Changes During the Next Year | |
|---|---|---|
| | March 1982 | April 1982 |
| Increase | 57% | 55% |
| Same rate | 9 | 9 |
| Same level | 22 | 22 |
| Go down | 10 | 11 |
| DK; NA | 2 | 3 |
| Total | 100% | 100% |

---

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up or have they gone down?" (IF SAME) "Do you mean that prices have gone up at the same rate as 12 months ago, or that prices in general have not gone up during the last 12 months?" (IF UP/DOWN OR SAME RATE) "By about what percent do you think prices have gone (up/down) on the average, during the last 12 months?"

The April 1982 survey included 702 interviews conducted between March 25th and April 25.

## TABLE G

## EXPECTED PRICE CHANGES DURING THE NEXT YEAR

| Survey Dates | | Old Series | New Preliminary Estimates | Difference |
|---|---|---|---|---|
| March | 1979 | 9.7 | 9.8 | 0.1 |
| March | 1980 | 12.0 | 12.4 | 0.4 |
| March | 1981 | 7.0 | 7.5 | 0.5 |
| April | 1981 | 8.1 | 8.8 | 0.7 |
| May | 1981 | 7.6 | 8.2 | 0.6 |
| June | 1981 | 6.6 | 7.3 | 0.6 |
| July | 1981 | 6.7 | 7.4 | 0.7 |
| August | 1981 | 6.5 | 7.1 | 0.6 |
| September | 1981 | 7.5 | 8.3 | 0.8 |
| October | 1981 | 7.2 | 7.9 | 0.7 |
| November | 1981 | 7.7 | 8.4 | 0.7 |
| December | 1981 | 5.6 | 6.3 | 0.7 |
| January | 1982 | 5.4 | 6.2 | 0.8 |
| February | 1982 | 5.3 | 6.1 | 0.8 |
| March | 1982 | 5.3 | 6.0 | 0.7 |
| April | 1982 | 4.7 | 5.4 | 0.7 |

JUN 7 1982

# SURVEYS OF CONSUMER ATTITUDES

47475-2(A)

## TABLES AND CHARTS

MAY 1982

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

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# TABLES AND CHARTS

## MAY 1982

The May 1982 survey is the 164th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

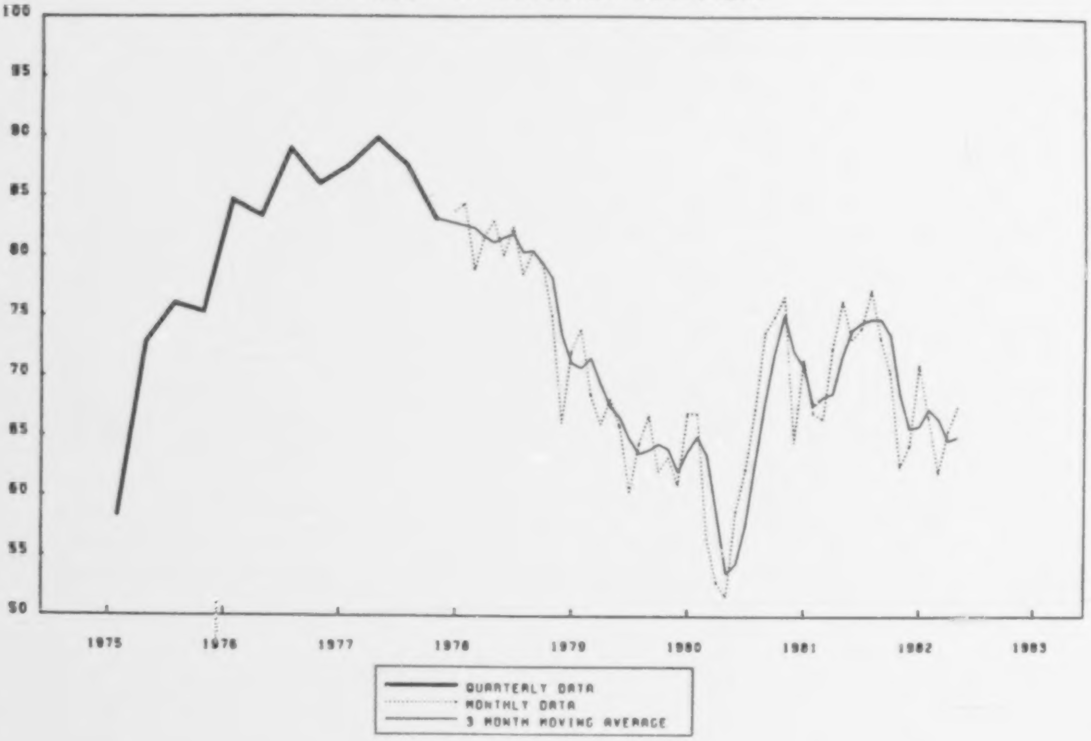
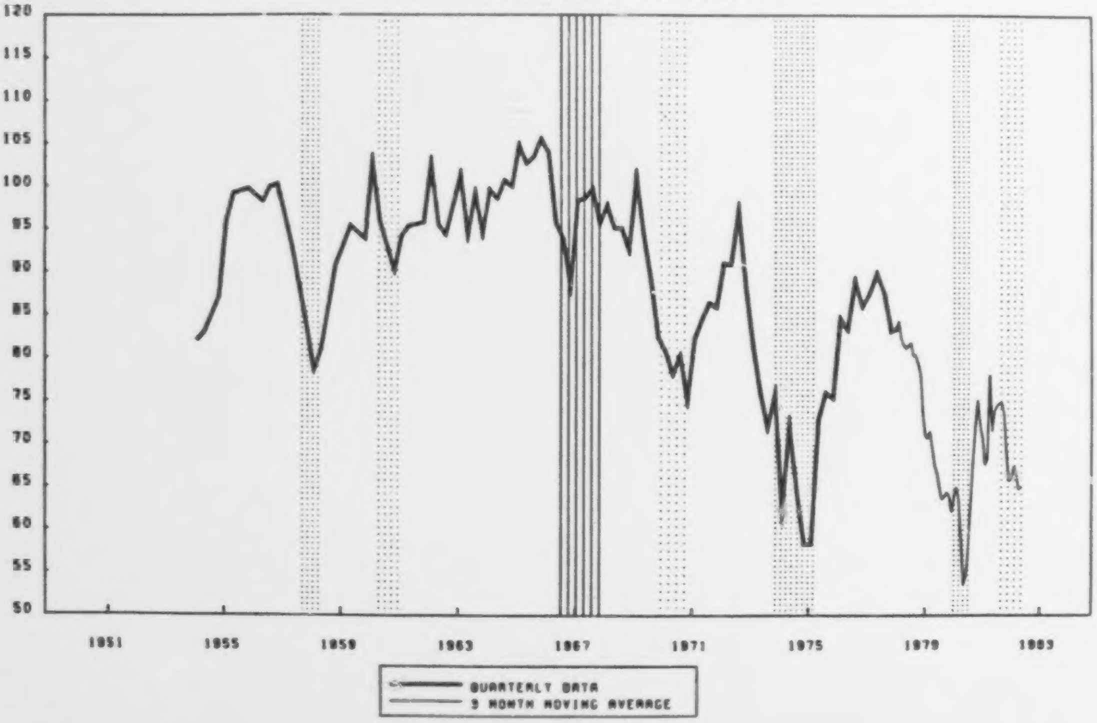


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## TABLE 1

## THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|---|
| May | 1979 | 68.1 | 73.5 | 76.7 |
| June | 1979 | 65.8 | 71.8 | 72.9 |
| July | 1979 | 60.4 | 67.2 | 68.0 |
| August | 1979 | 64.5 | 70.0 | 71.3 |
| September | 1979 | 66.7 | 71.6 | 74.4 |
| October | 1979 | 62.1 | 65.6 | 65.5 |
| November | 1979 | 63.3 | 68.3 | 69.9 |
| December | 1979 | 61.0 | 66.2 | 73.2 |
| January | 1980 | 67.0 | 70.8 | 70.9 |
| February | 1980 | 66.9 | 70.8 | 73.5 |
| March | 1980 | 56.5 | 62.3 | 64.5 |
| April | 1980 | 52.7 | 54.2 | 57.2 |
| May | 1980 | 51.7 | 55.2 | 53.3 |
| June | 1980 | 58.7 | 61.6 | 63.7 |
| July | 1980 | 62.3 | 67.6 | 67.3 |
| August | 1980 | 67.3 | 70.9 | 74.2 |
| September | 1980 | 73.7 | 78.1 | 78.5 |
| October | 1980 | 75.0 | 76.3 | 78.7 |
| November | 1980 | 76.7 | 82.7 | 87.5 |
| December | 1980 | 64.5 | 66.9 | 68.6 |
| January | 1981 | 71.4 | 74.8 | 77.1 |
| February | 1981 | 66.9 | 74.2 | 77.5 |
| March | 1981 | 66.5 | 72.1 | 73.7 |
| April | 1981 | 72.4 | 77.1 | 78.0 |
| May | 1981 | 76.3 | 80.8 | 85.0 |
| June | 1981 | 73.1 | 81.2 | 82.9 |
| July | 1981 | 74.1 | 80.8 | 82.1 |
| August | 1981 | 77.2 | 82.7 | 85.0 |
| September | 1981 | 73.1 | 75.2 | 73.3 |
| October | 1981 | 70.3 | 74.5 | 77.9 |
| November | 1981 | 62.5 | 67.2 | 66.3 |
| December | 1981 | 64.3 | 71.0 | 71.1 |
| January | 1982 | 71.0 | 77.9 | 77.8 |
| February | 1982 | 66.5 | 71.5 | 72.8 |
| March | 1982 | 62.0 | 67.0 | 67.9 |
| April | 1982 | 65.5 | 71.5 | 73.2 |
| May | 1982 | 67.5 | 72.7 | 74.8 |

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

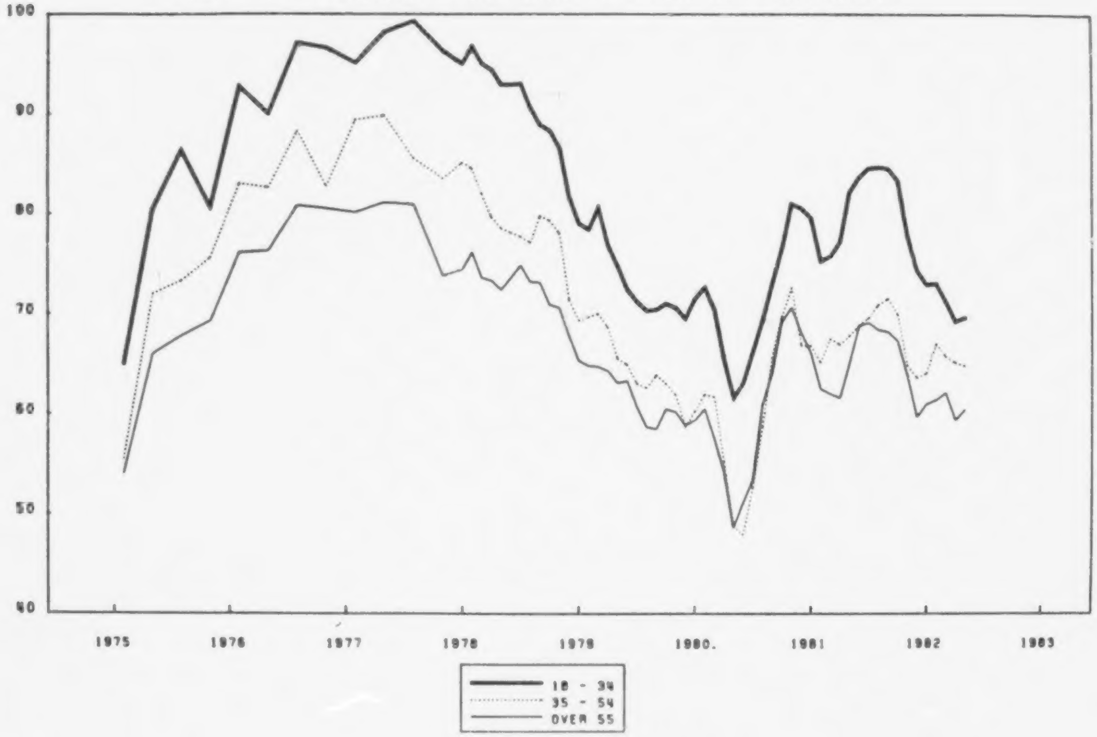


CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

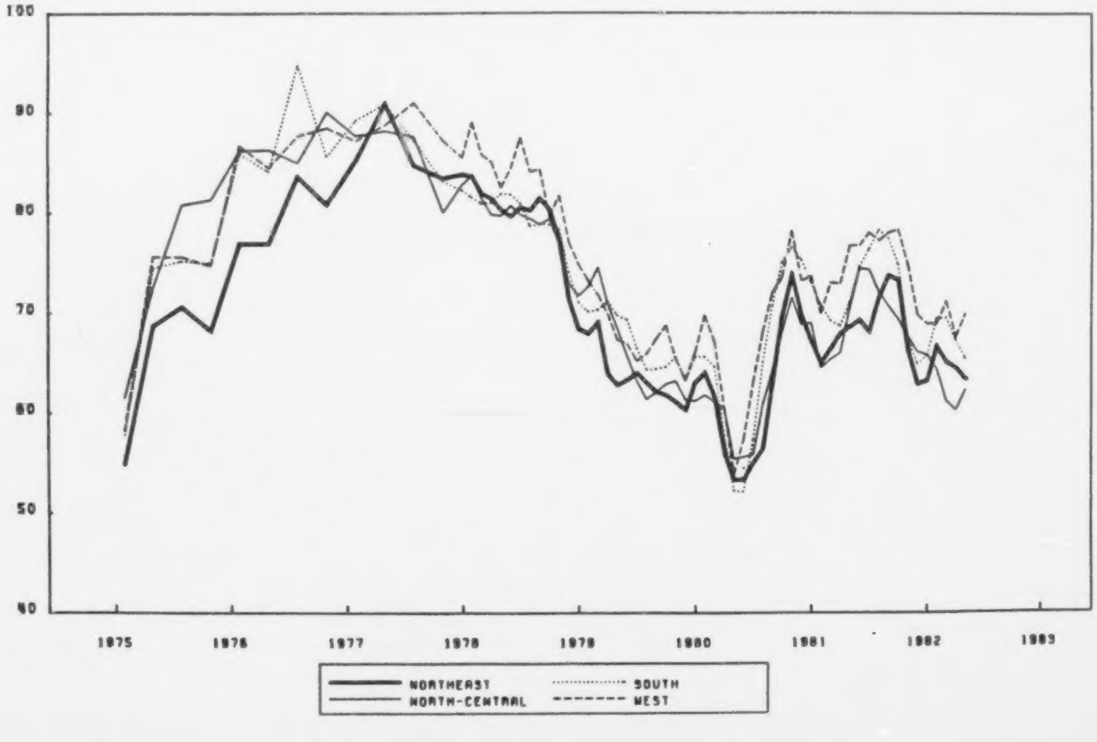
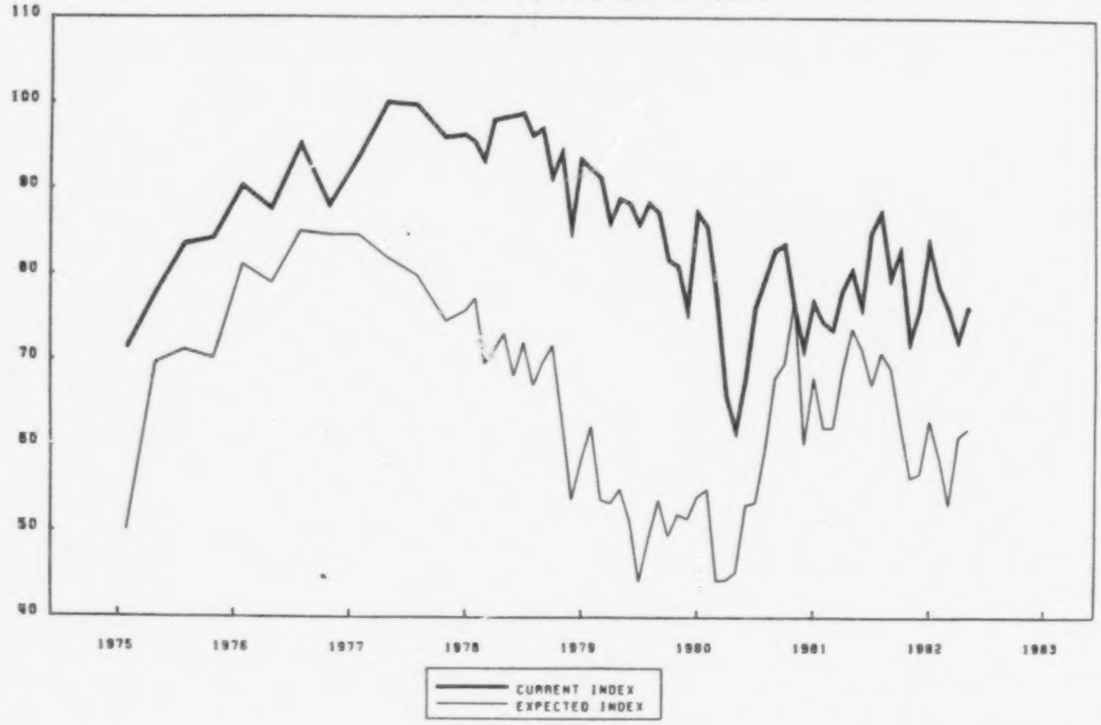


TABLE 2

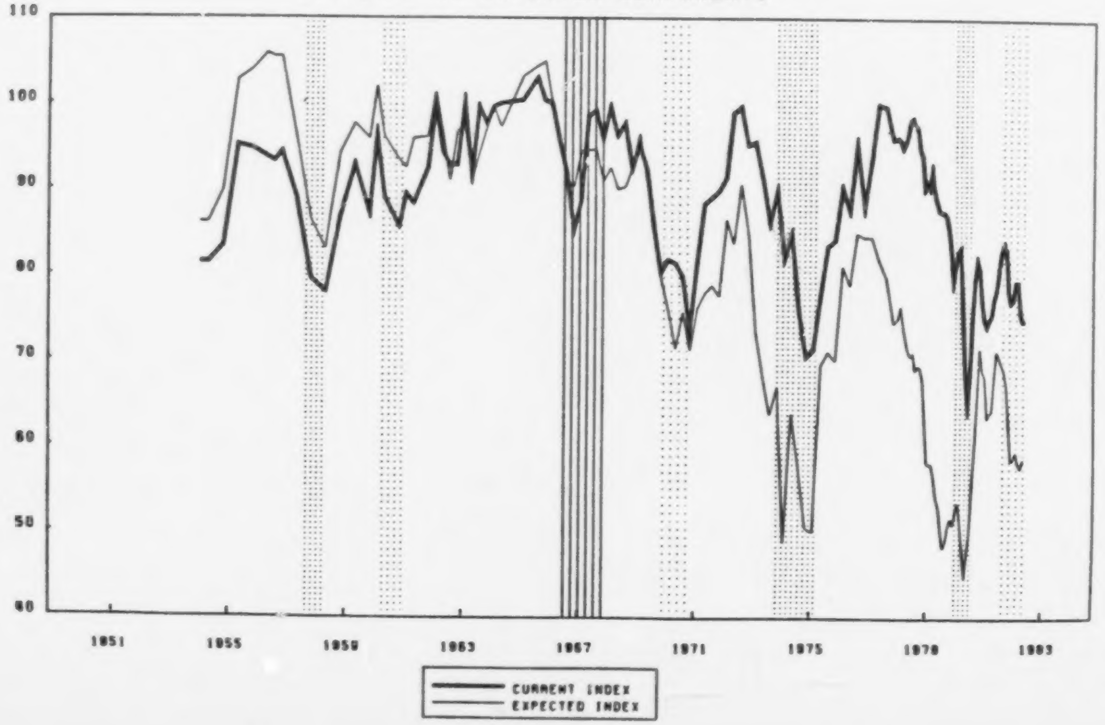
INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| DATE OF SURVEY | | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|---|
| | | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| May | 1979 | 64.9 | 68.2 | 69.1 | 69.6 | 74.6 | 65.3 | 64.1 |
| June | 1979 | 66.8 | 63.3 | 66.8 | 66.3 | 71.2 | 62.9 | 63.9 |
| July | 1979 | 60.4 | 58.0 | 63.3 | 59.7 | 67.7 | 60.9 | 54.1 |
| August | 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September | 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October | 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November | 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December | 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January | 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February | 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March | 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April | 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May | 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June | 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July | 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August | 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September | 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October | 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November | 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December | 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January | 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February | 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March | 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April | 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May | 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June | 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July | 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August | 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September | 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October | 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November | 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December | 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |
| January | 1982 | 68.8 | 67.3 | 72.0 | 76.2 | 76.6 | 67.4 | 68.5 |
| February | 1982 | 65.9 | 60.6 | 71.8 | 68.8 | 71.5 | 68.3 | 59.0 |
| March | 1982 | 60.5 | 55.8 | 64.7 | 68.2 | 65.5 | 61.4 | 58.8 |
| April | 1982 | 67.2 | 64.6 | 65.0 | 65.8 | 70.6 | 65.5 | 60.4 |
| May | 1982 | 62.4 | 66.5 | 66.6 | 75.7 | 72.7 | 67.6 | 62.0 |

## CHART 3 - RECENT CHANGES
## CURRENT AND EXPECTED COMPONENTS



## CHART 3 - HISTORICAL SERIES
## CURRENT AND EXPECTED COMPONENTS



## TABLE 3

## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Personal finances | | Business conditions | | | | |
| | | Current | Expected | 12 months | 5 years | Buying conds. | Current Index | Expected Index |
| DATE OF SURVEY | | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| May | 1979 | 91 | 95 | 58 | 62 | 136 | 88.7 | 54.9 |
| June | 1979 | 92 | 91 | 54 | 55 | 134 | 88.2 | 51.4 |
| July | 1979 | 90 | 92 | 39 | 40 | 130 | 85.7 | 44.2 |
| August | 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September | 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October | 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November | 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December | 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January | 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February | 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March | 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April | 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May | 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June | 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July | 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August | 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September | 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October | 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November | 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December | 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January | 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February | 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March | 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April | 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May | 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June | 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July | 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August | 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September | 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October | 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November | 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December | 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |
| January | 1982 | 92 | 115 | 66 | 70 | 124 | 83.5 | 62.9 |
| February | 1982 | 91 | 112 | 56 | 65 | 111 | 78.6 | 58.7 |
| March | 1982 | 89 | 106 | 44 | 60 | 106 | 75.9 | 53.1 |
| April | 1982 | 87 | 111 | 62 | 70 | 99 | 72.3 | 61.1 |
| May | 1982 | 94 | 113 | 62 | 72 | 102 | 76.1 | 62.0 |

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

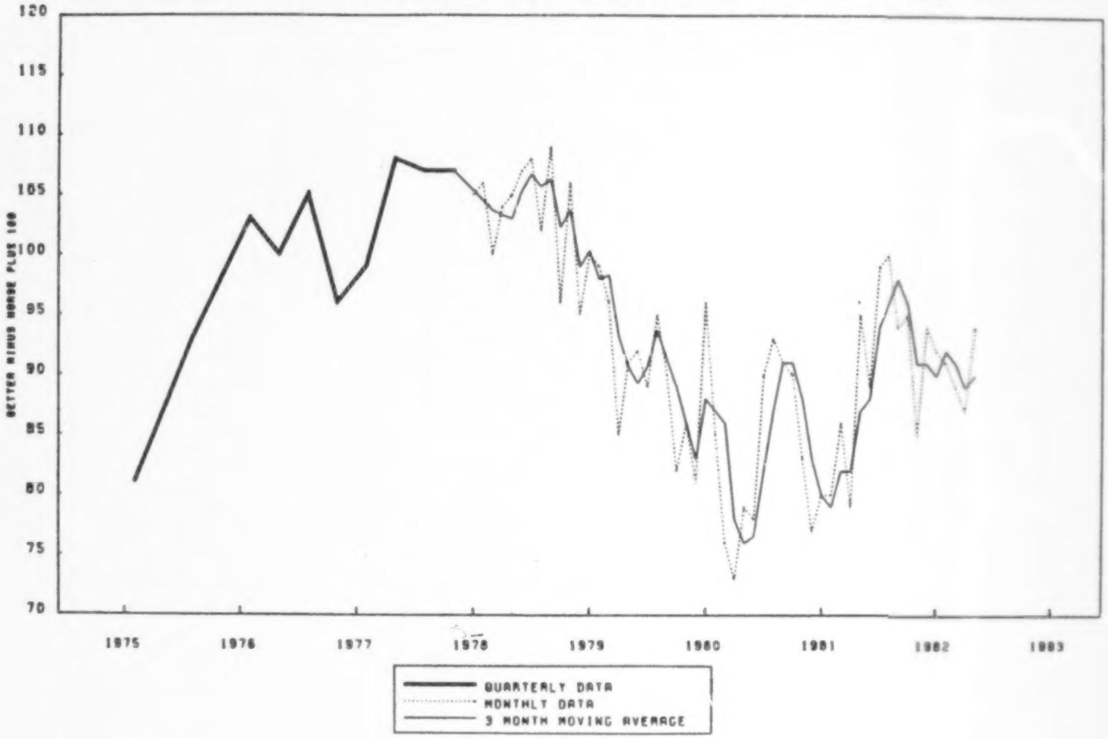
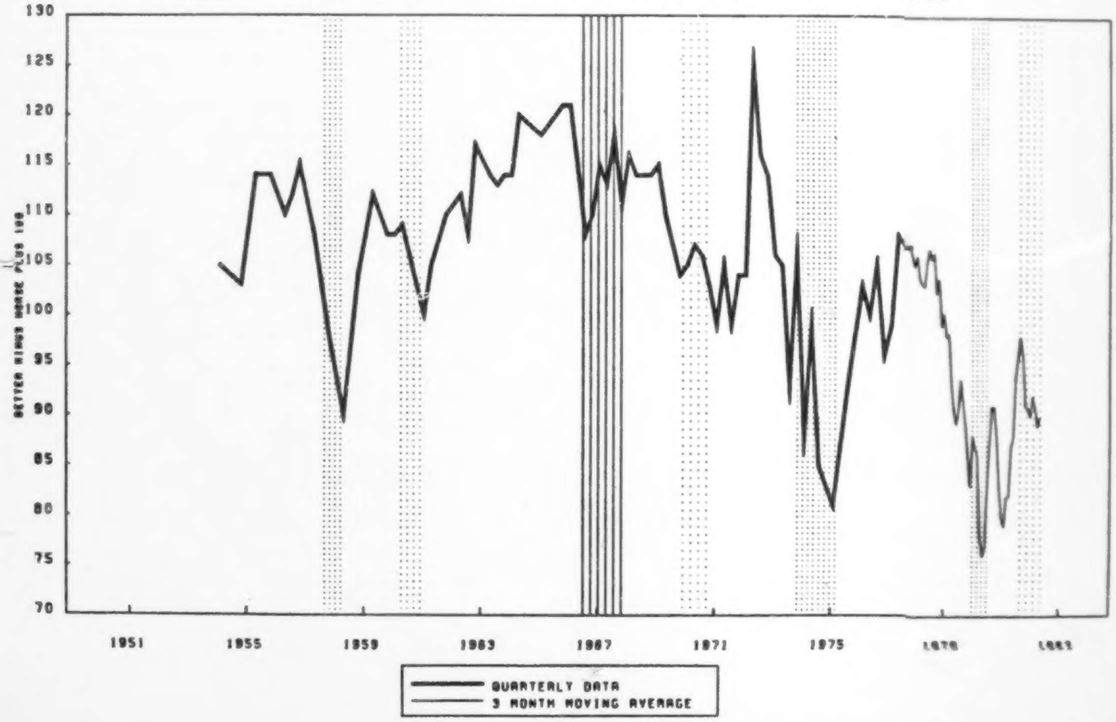


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 31% | 29% | 34% | 33% | 32% | 31% | 29% | 32% | 32% | 30% | 31% | 27% | 31% |
| SAME | 32 | 31 | 30 | 33 | 29 | 32 | 27 | 29 | 28 | 30 | 27 | 33 | 32 |
| WORSE OFF | 36 | 40 | 35 | 33 | 38 | 36 | 44 | 38 | 40 | 39 | 42 | 40 | 37 |
| DK,NA | 1 | * | 1 | 1 | 1 | 1 | * | 1 | * | 1 | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

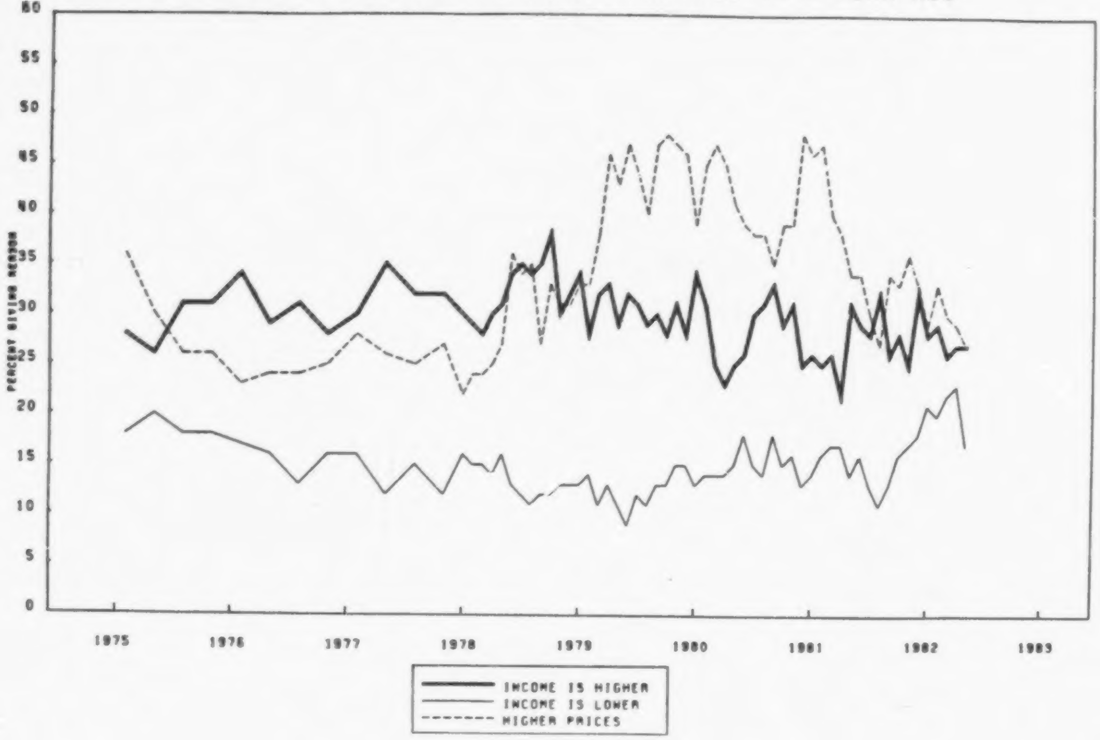
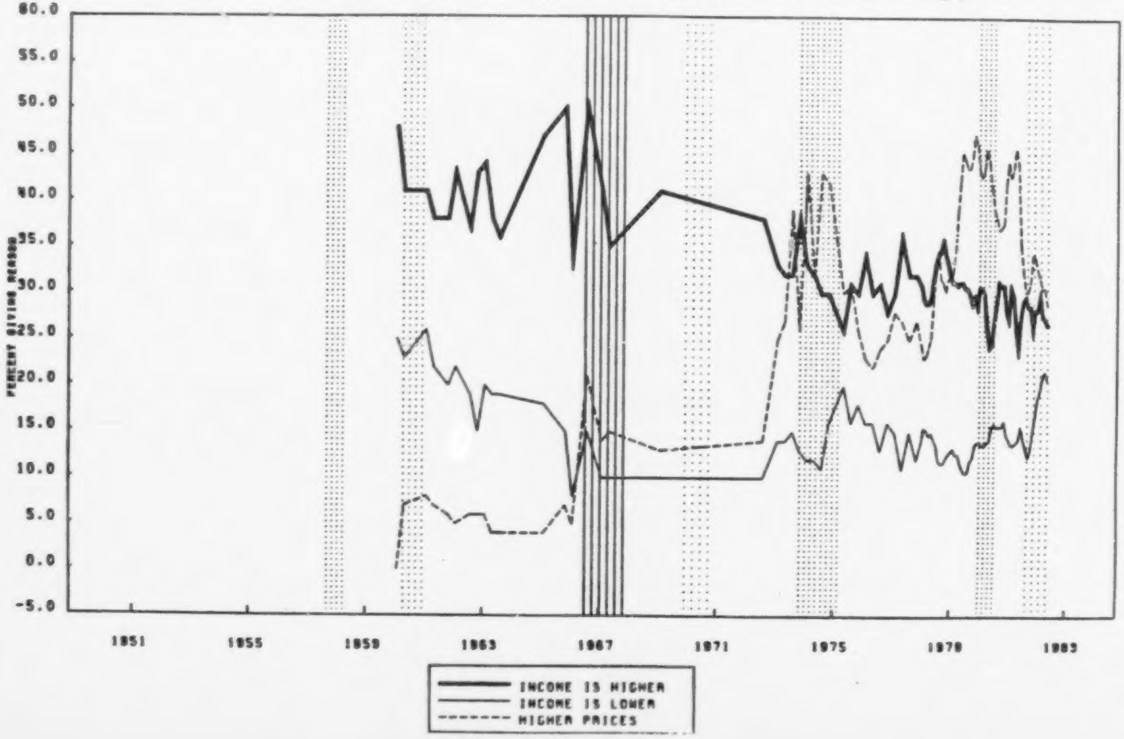


CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

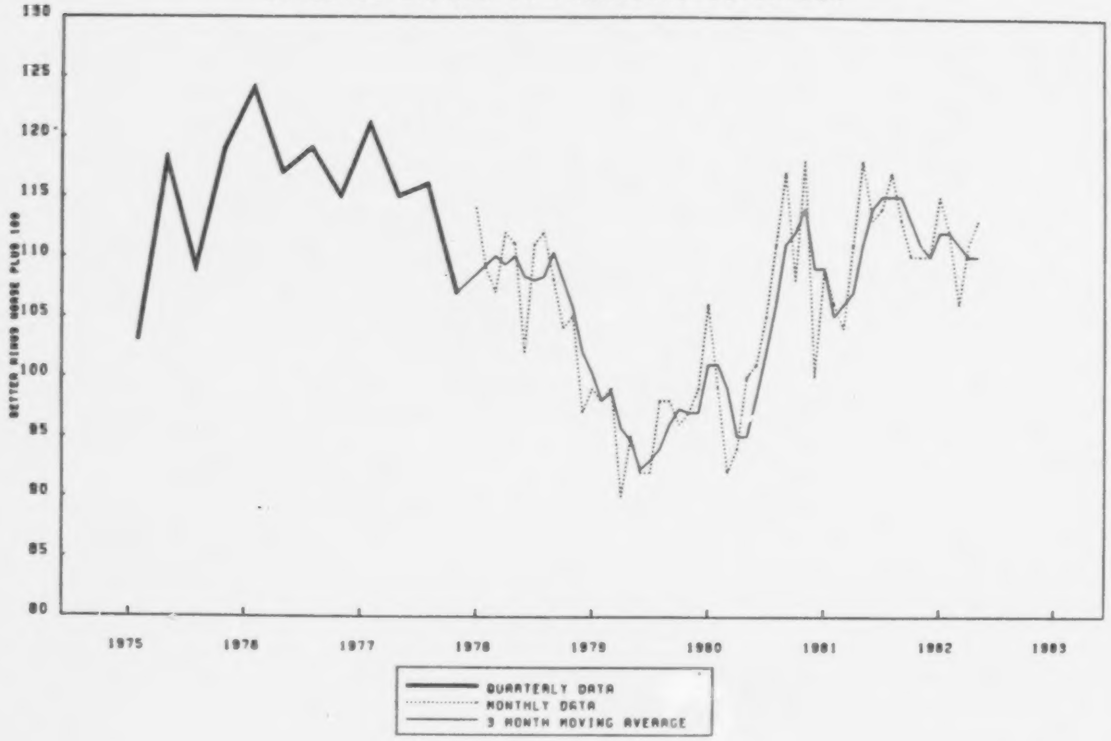
### SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 31% | 29% | 28% | 32% | 26% | 28% | 25% | 32% | 28% | 29% | 26% | 27% | 27% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 14 | 16 | 13 | 11 | 13 | 16 | 17 | 18 | 21 | 20 | 22 | 23 | 17 |
| Higher prices | 34 | 34 | 30 | 27 | 34 | 33 | 36 | 33 | 29 | 33 | 30 | 29 | 27 |

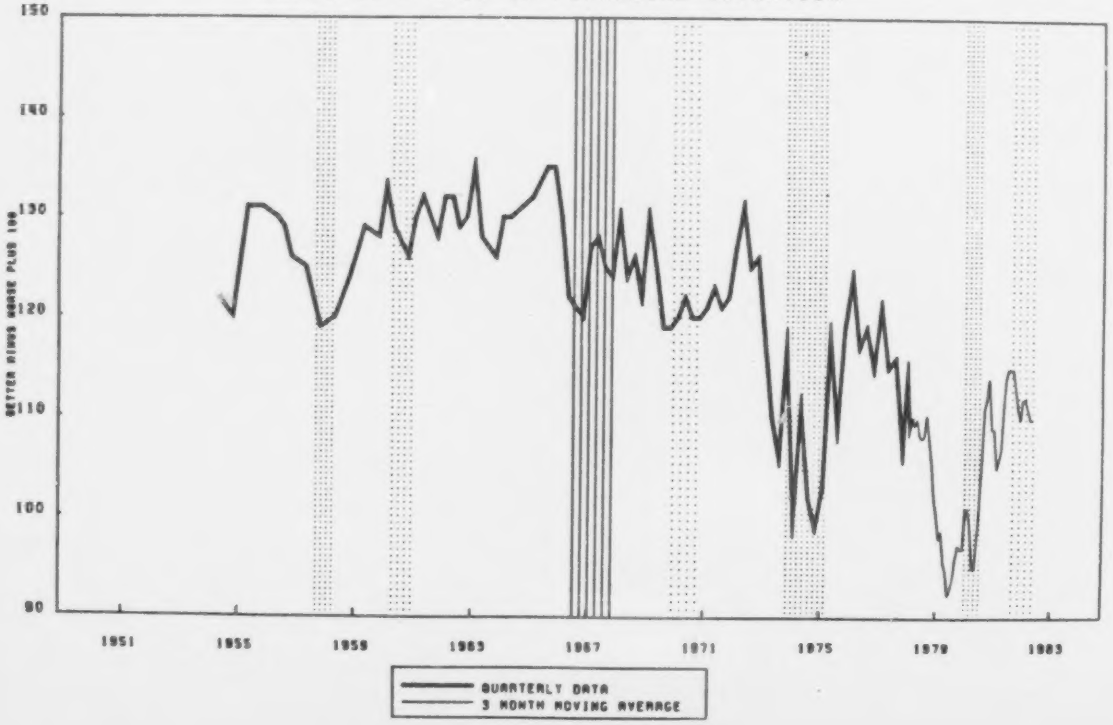
Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

## CHART 6 - RECENT CHANGES
## EXPECTED CHANGE IN FINANCIAL SITUATION



## CHART 6 - HISTORICAL SERIES
## EXPECTED CHANGE IN FINANCIAL SITUATION



## TABLE 6

## EXPECTED CHANGE IN FINANCIAL SITUATION

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 34% | 32% | 29% | 34% | 31% | 29% | 30% | 30% | 33% | 30% | 27% | 31% | 30% |
| SAME | 48 | 44 | 52 | 46 | 45 | 49 | 46 | 48 | 46 | 47 | 48 | 45 | 49 |
| WORSE OFF | 16 | 19 | 15 | 17 | 18 | 19 | 20 | 20 | 18 | 18 | 21 | 20 | 17 |
| DK,NA | 2 | 5 | 4 | 3 | 6 | 3 | 4 | 2 | 3 | 5 | 4 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

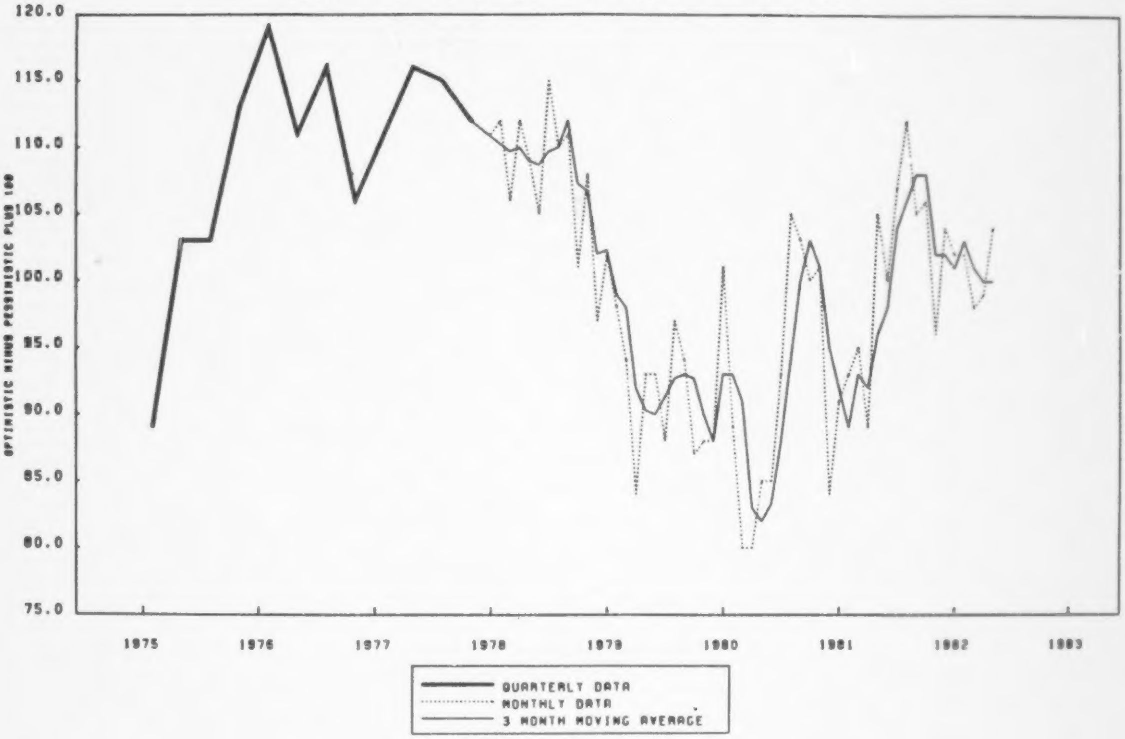
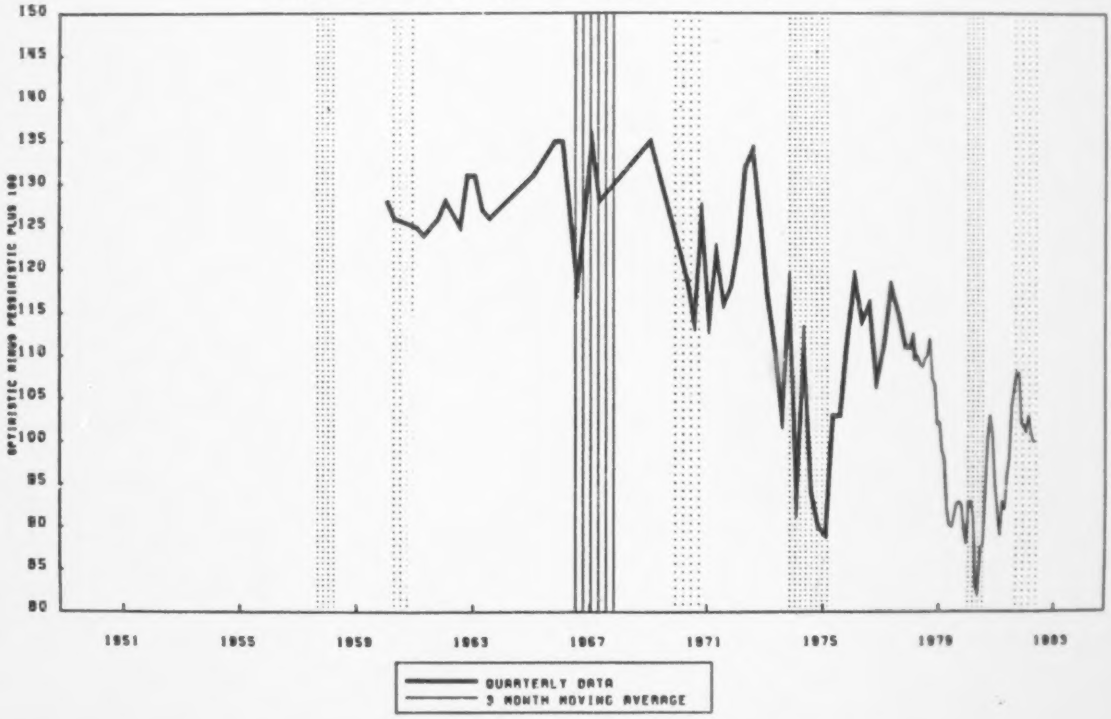


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

## TREND IN PERSONAL FINANCIAL SITUATION

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 15% | 13% | 15% | 14% | 16% | 13% | 13% | 13% | 15% | 15% | 11% | 12% | 14% |
| Intermittent increase (b) | 23 | 22 | 22 | 25 | 19 | 21 | 19 | 25 | 21 | 19 | 22 | 20 | 23 |
| Remain unchanged (c) | 15 | 14 | 19 | 18 | 17 | 21 | 14 | 14 | 15 | 18 | 14 | 17 | 17 |
| Intermittent decline (d) | 25 | 24 | 21 | 18 | 19 | 15 | 23 | 22 | 23 | 20 | 22 | 21 | 22 |
| Continuous decline (e) | 8 | 11 | 9 | 9 | 11 | 13 | 13 | 12 | 11 | 12 | 13 | 12 | 11 |
| Mixed change (f) | 12 | 11 | 9 | 12 | 12 | 14 | 14 | 11 | 12 | 11 | 14 | 14 | 9 |
| DK,NA | 2 | 5 | 5 | 4 | 6 | 3 | 4 | 3 | 3 | 5 | 4 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

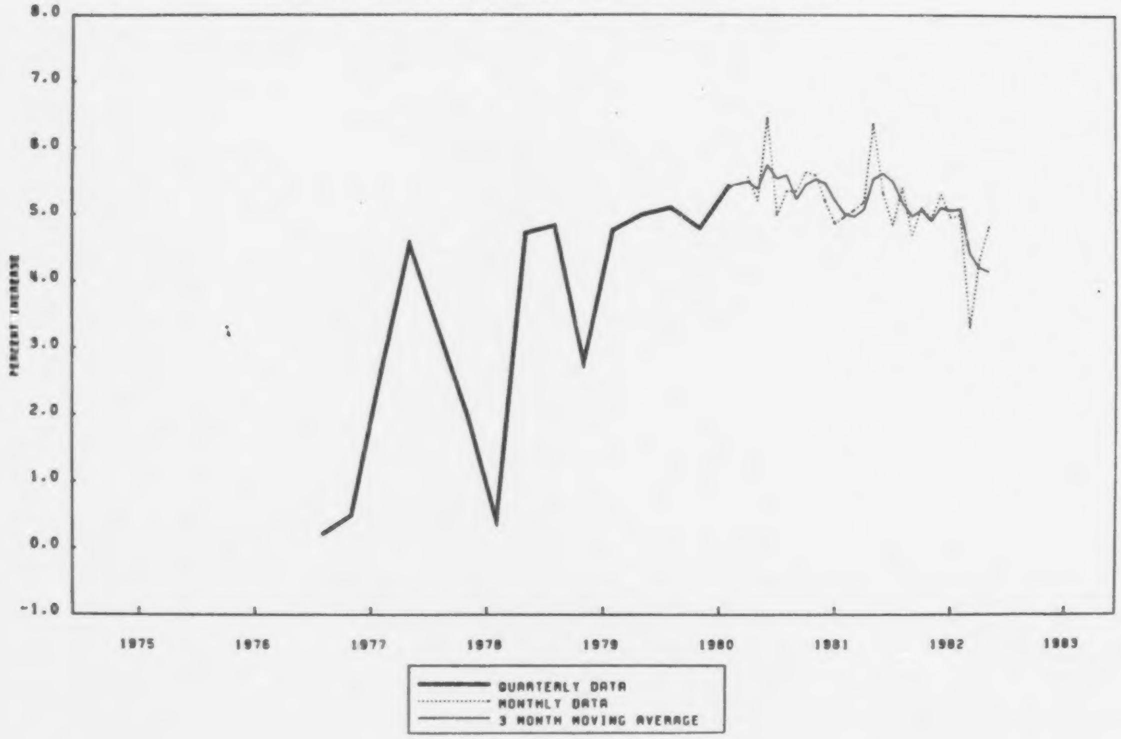


TABLE 8

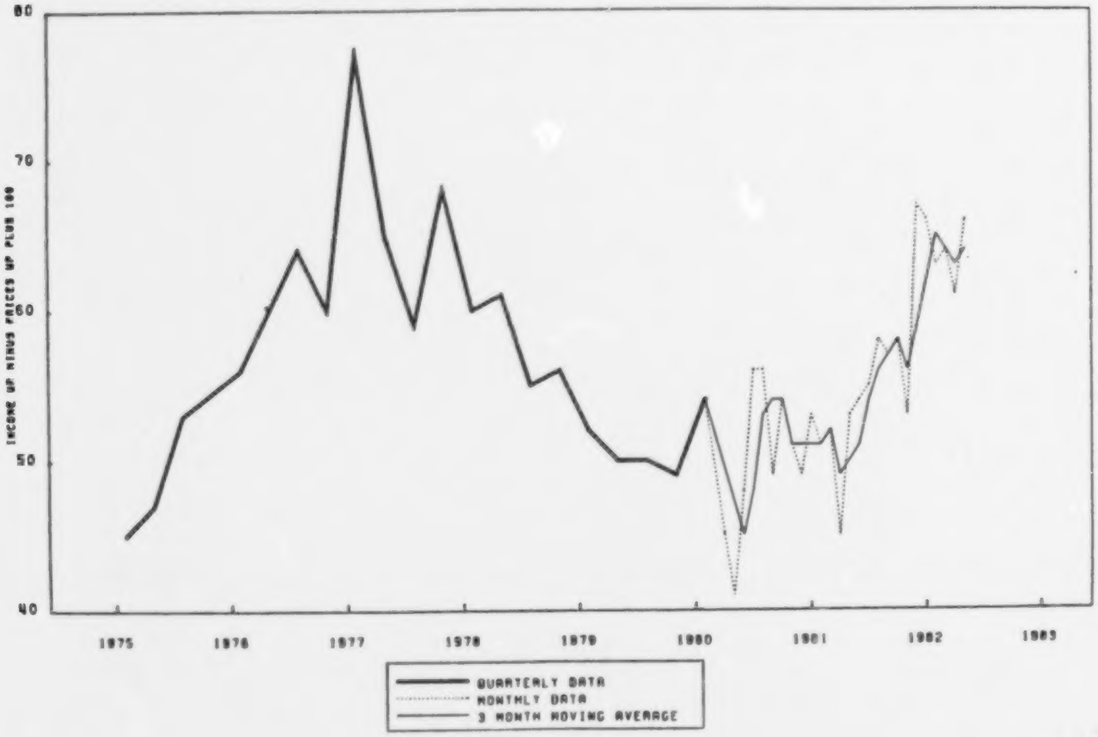
## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 6% | 6% | 7% | 5% | 6% | 6% | 5% | 5% | 7% | 5% | 5% | 7% | 5% |
| 5% | 10 | 10 | 7 | 8 | 9 | 10 | 9 | 9 | 10 | 9 | 8 | 10 | 9 |
| 6-9% | 11 | 10 | 10 | 9 | 10 | 13 | 8 | 10 | 11 | 12 | 9 | 8 | 11 |
| 10-24% | 28 | 25 | 21 | 27 | 23 | 21 | 23 | 24 | 22 | 22 | 19 | 19 | 20 |
| 25% or more | 8 | 7 | 10 | 6 | 6 | 6 | 8 | 8 | 7 | 6 | 7 | 7 | 8 |
| DK how much up | 7 | 7 | 5 | 6 | 6 | 6 | 4 | 6 | 4 | 6 | 6 | 6 | 7 |
| EXPECT SAME | 19 | 21 | 24 | 26 | 27 | 24 | 25 | 21 | 23 | 25 | 25 | 24 | 24 |
| EXPECT DOWN | 8 | 11 | 13 | 9 | 12 | 12 | 15 | 15 | 14 | 13 | 18 | 18 | 15 |
| DK,NA | 3 | 3 | 3 | 4 | 1 | 2 | 3 | 2 | 2 | 2 | 3 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR



## TABLE 9

## PAST CHANGE IN REAL FAMILY INCOME

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 12% | 13% | 13% | 14% | 13% | 13% | 12% | 17% | 17% | 16% | 16% | 14% | 18% |
| INCOME UP SAME | 28 | 26 | 25 | 29 | 31 | 30 | 27 | 32 | 30 | 30 | 31 | 32 | 29 |
| PRICES UP MORE | 59 | 59 | 58 | 56 | 56 | 55 | 59 | 50 | 51 | 53 | 52 | 53 | 52 |
| DK,NA | 1 | 2 | 4 | 1 | * | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

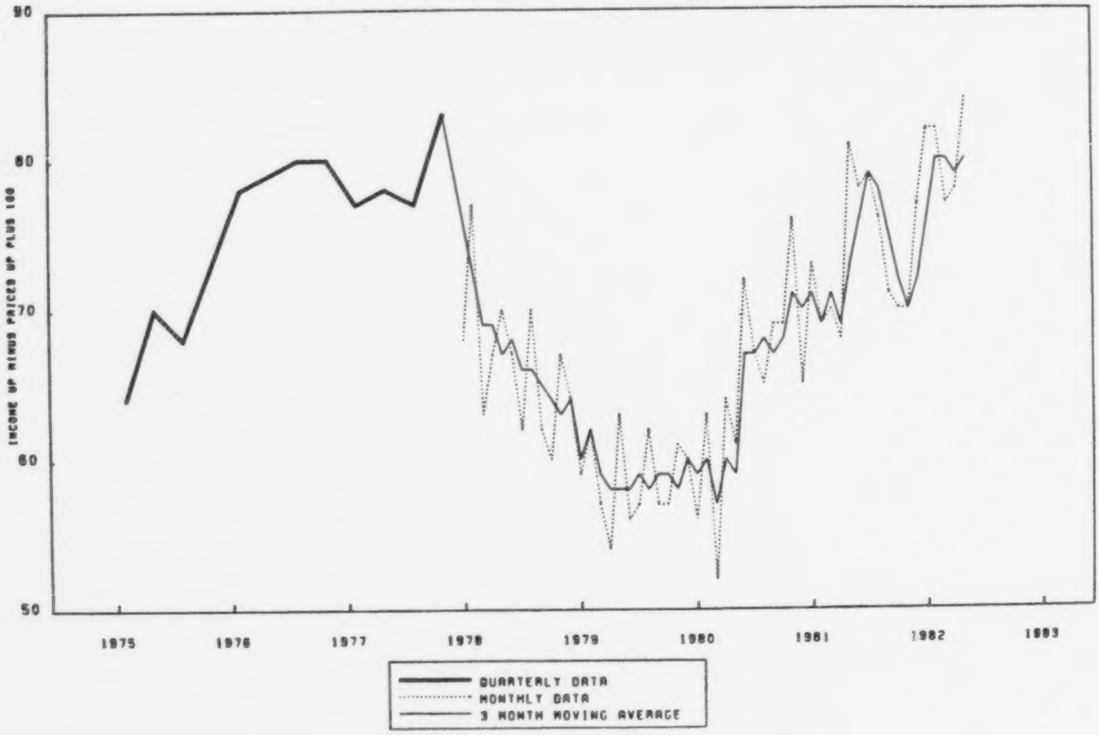


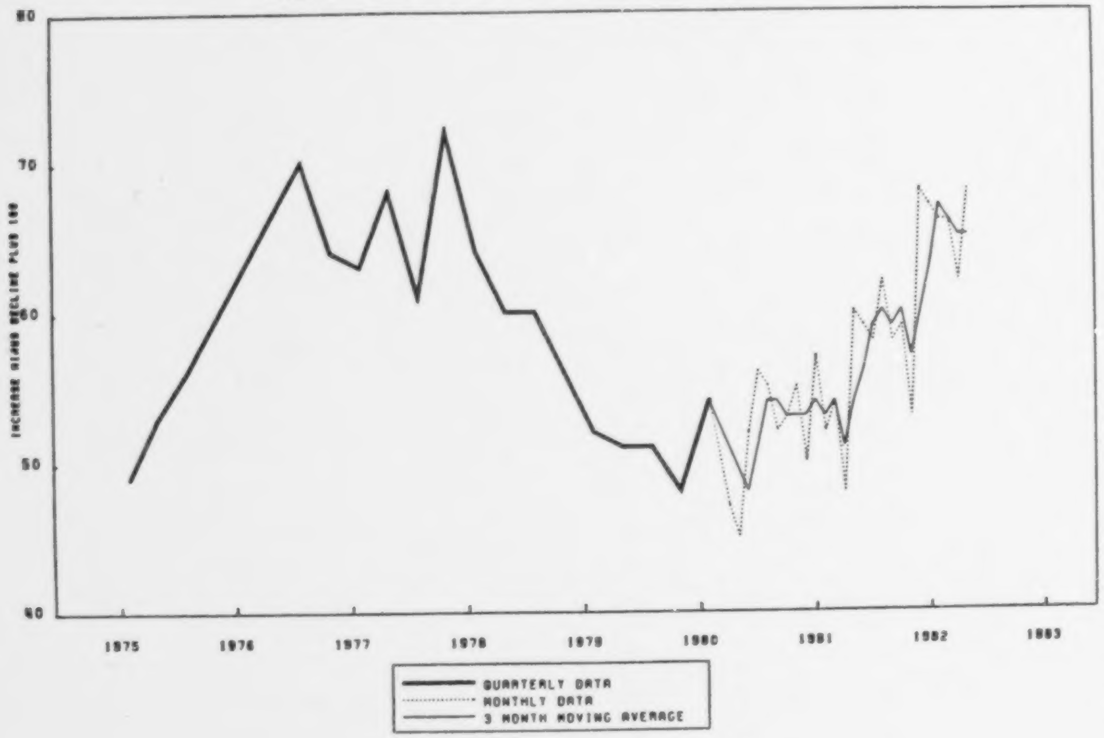
TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

|  | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 19% | 16% | 17% | 16% | 13% | 14% | 13% | 17% | 17% | 20% | 16% | 17% | 19% |
| INCOME UP SAME | 41 | 43 | 41 | 40 | 42 | 40 | 41 | 41 | 45 | 40 | 41 | 42 | 43 |
| PRICES UP MORE | 38 | 38 | 38 | 40 | 42 | 44 | 43 | 40 | 35 | 38 | 39 | 39 | 35 |
| DK,NA | 2 | 3 | 4 | 4 | 3 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

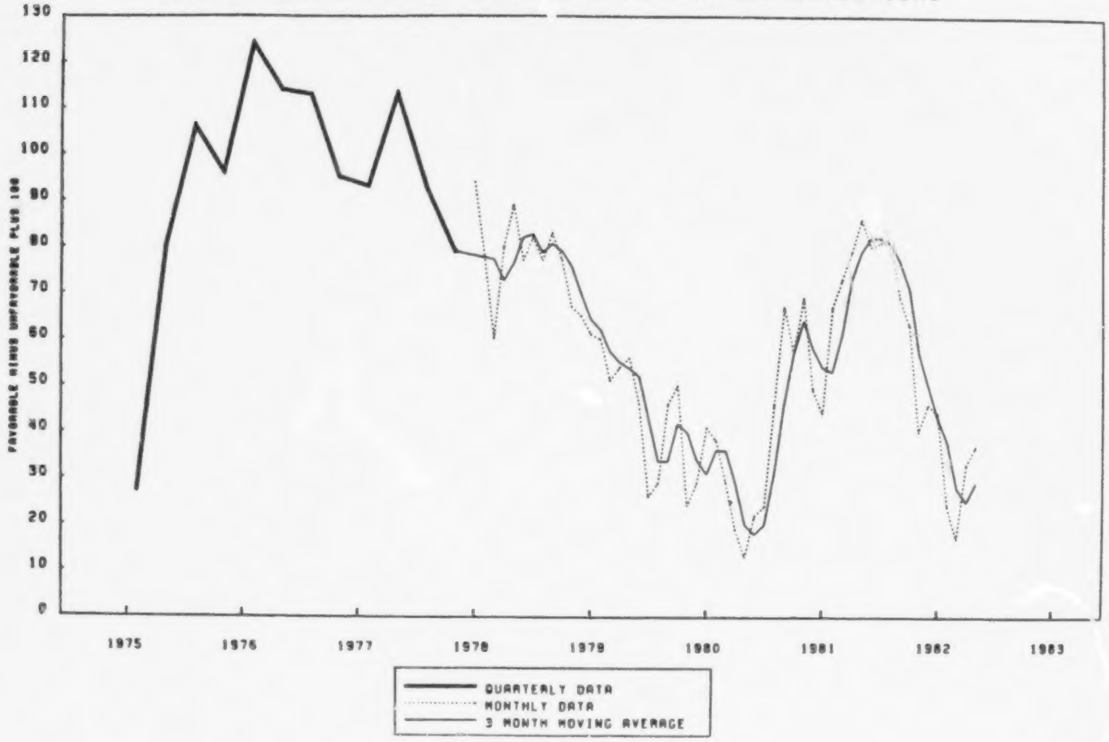
## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 6% | 6% | 8% | 7% | 5% | 5% | 5% | 8% | 9% | 9% | 7% | 8% | 10% |
| Intermittent increase (b) | 10 | 10 | 7 | 8 | 11 | 10 | 8 | 12 | 11 | 9 | 10 | 9 | 8 |
| Remain unchanged (c) | 16 | 17 | 16 | 20 | 19 | 18 | 17 | 19 | 19 | 20 | 20 | 19 | 20 |
| Intermittent decline (d) | 25 | 25 | 25 | 21 | 24 | 21 | 26 | 22 | 25 | 22 | 21 | 25 | 24 |
| Continuous decline (e) | 31 | 32 | 32 | 32 | 34 | 35 | 34 | 30 | 28 | 30 | 30 | 30 | 26 |
| Mixed change (f) | 9 | 6 | 7 | 8 | 4 | 8 | 6 | 6 | 5 | 8 | 8 | 6 | 9 |
| DK,NA | 3 | 4 | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 2 | 4 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

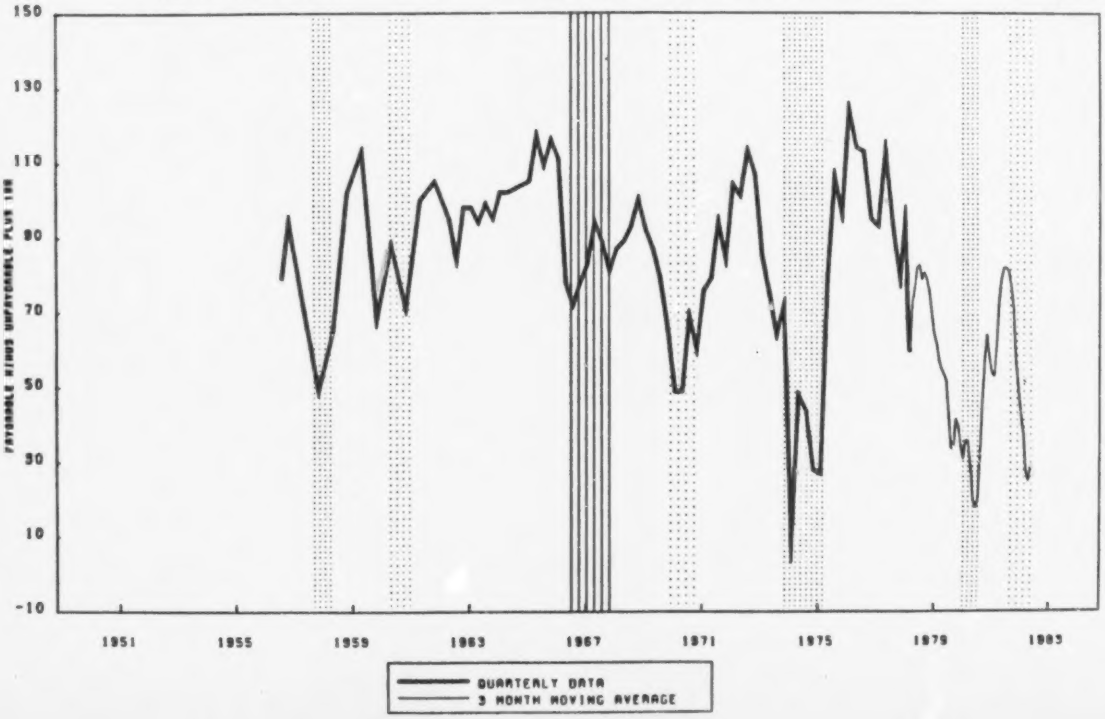
Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

## CHART 12 - RECENT CHANGES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## CHART 12 - HISTORICAL SERIES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 31% | 24% | 27% | 28% | 24% | 22% | 14% | 23% | 23% | 20% | 18% | 23% | 23% |
| UNFAVORABLE NEWS | 45 | 44 | 46 | 47 | 55 | 59 | 74 | 77 | 79 | 96 | 101 | 90 | 86 |
| NO MENTIONS | 47 | 52 | 51 | 48 | 47 | 45 | 43 | 37 | 33 | 29 | 26 | 29 | 31 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

## TABLE 13

## SELECTED ITEMS OF
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

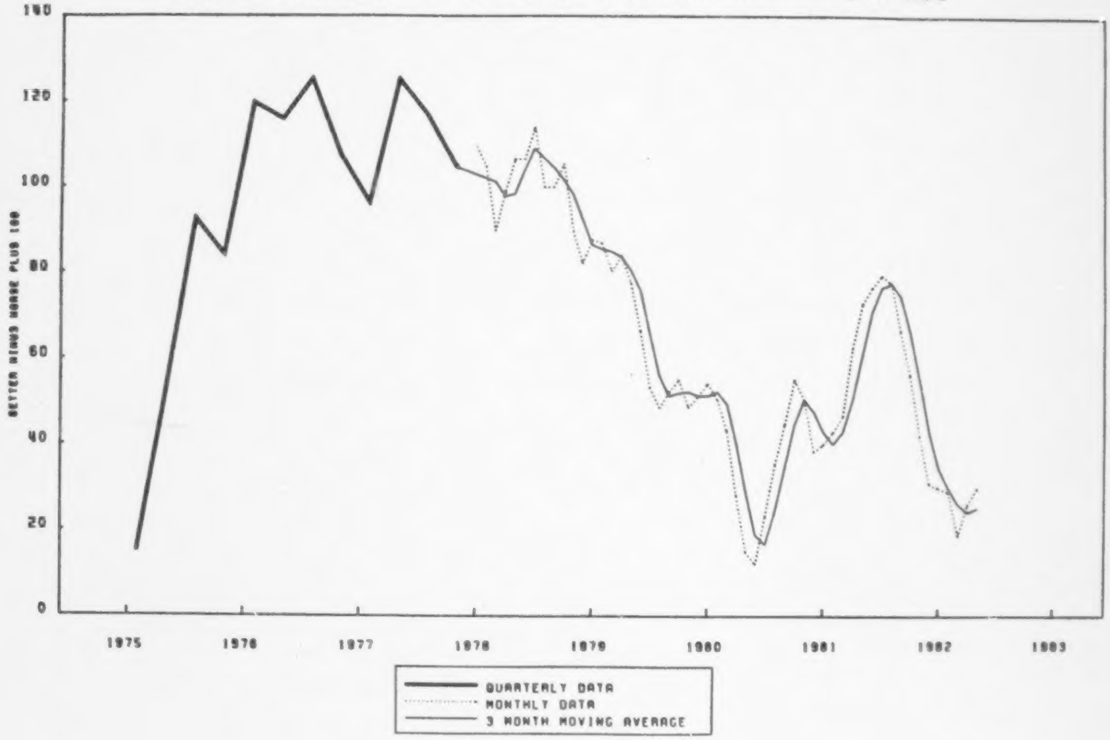
| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 4% | 6% | 4% | 7% | 8% | 5% | 3% | 4% | 4% | 3% | 4% | 2% | 2% |
| Employment | 8 | 4 | 7 | 8 | 6 | 4 | 2 | 4 | 5 | 5 | 4 | 4 | 6 |
| Consumer demand high | 4 | 1 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | * | * | 2 | 2 |
| Prices are low | 2 | 3 | 4 | 2 | * | 1 | * | 1 | 2 | 1 | 2 | 4 | 5 |
| Credit is easy | 2 | 2 | 2 | 2 | 2 | 3 | 4 | 10 | 6 | 5 | 3 | 5 | 3 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 4 | 4 | 5 | 6 | 5 | 5 | 3 | 4 | 5 | 6 | 7 | 5 | 4 |
| Unemployment | 14 | 16 | 16 | 17 | 19 | 20 | 28 | 32 | 35 | 40 | 46 | 41 | 45 |
| Consumer demand low | 6 | 3 | 4 | 5 | 3 | 6 | 10 | 11 | 11 | 14 | 12 | 11 | 8 |
| Prices are high | 4 | 5 | 5 | 3 | 5 | 3 | 7 | 4 | 5 | 4 | 5 | 4 | 4 |
| Credit is tight | 7 | 9 | 7 | 7 | 10 | 10 | 11 | 8 | 6 | 8 | 10 | 10 | 6 |
| Energy crisis | * | * | * | 1 | 1 | * | * | * | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

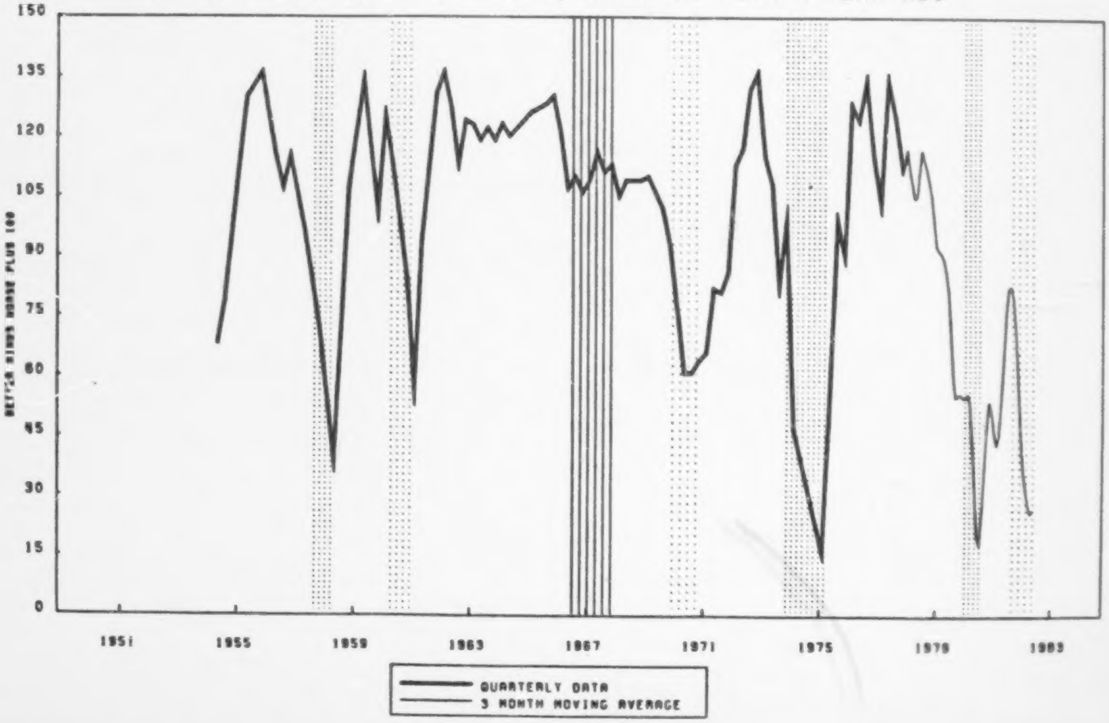
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

## CHART 14 - RECENT CHANGES
## CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## CHART 14 - HISTORICAL SERIES
## CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



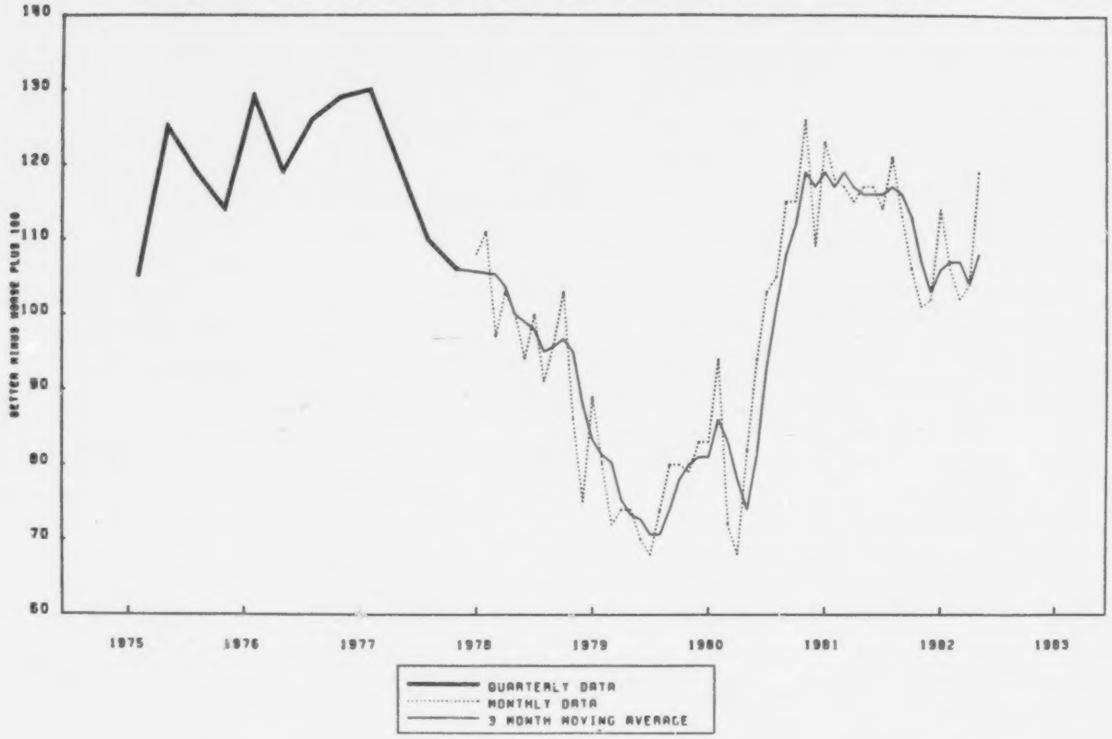
## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

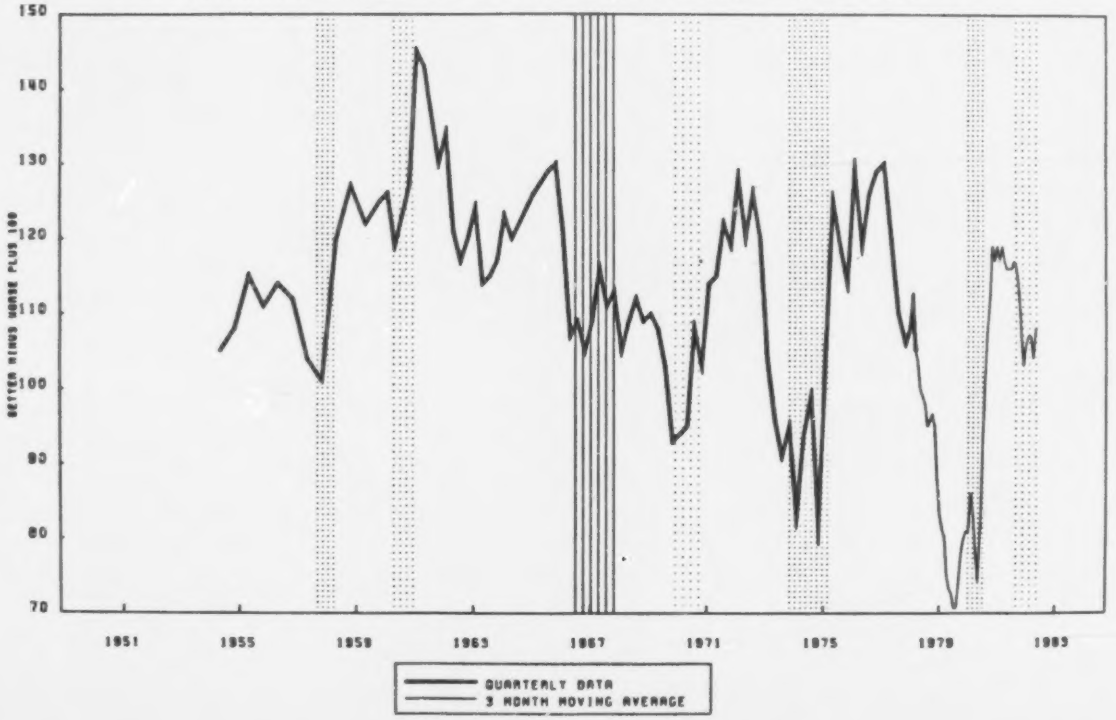
| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 30% | 31% | 32% | 33% | 28% | 23% | 15% | 13% | 11% | 11% | 7% | 9% | 12% |
| SAME | 17 | 18 | 18 | 15 | 12 | 12 | 12 | 6 | 8 | 8 | 5 | 9 | 6 |
| WORSE NOW | 52 | 49 | 47 | 50 | 57 | 63 | 70 | 80 | 79 | 80 | 87 | 81 | 80 |
| DK,NA | 1 | 2 | 3 | 2 | 3 | 2 | 3 | 1 | 2 | 1 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

## CHART 15 - RECENT CHANGES
## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## CHART 15 - HISTORICAL SERIES
## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 36% | 36% | 34% | 38% | 32% | 31% | 27% | 31% | 38% | 34% | 29% | 32% | 39% |
| SAME | 44 | 42 | 44 | 43 | 45 | 41 | 44 | 37 | 36 | 36 | 42 | 38 | 39 |
| WORSE | 19 | 19 | 20 | 17 | 19 | 25 | 26 | 29 | 24 | 28 | 27 | 28 | 20 |
| DK,NA | 1 | 3 | 2 | 2 | 4 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

## TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

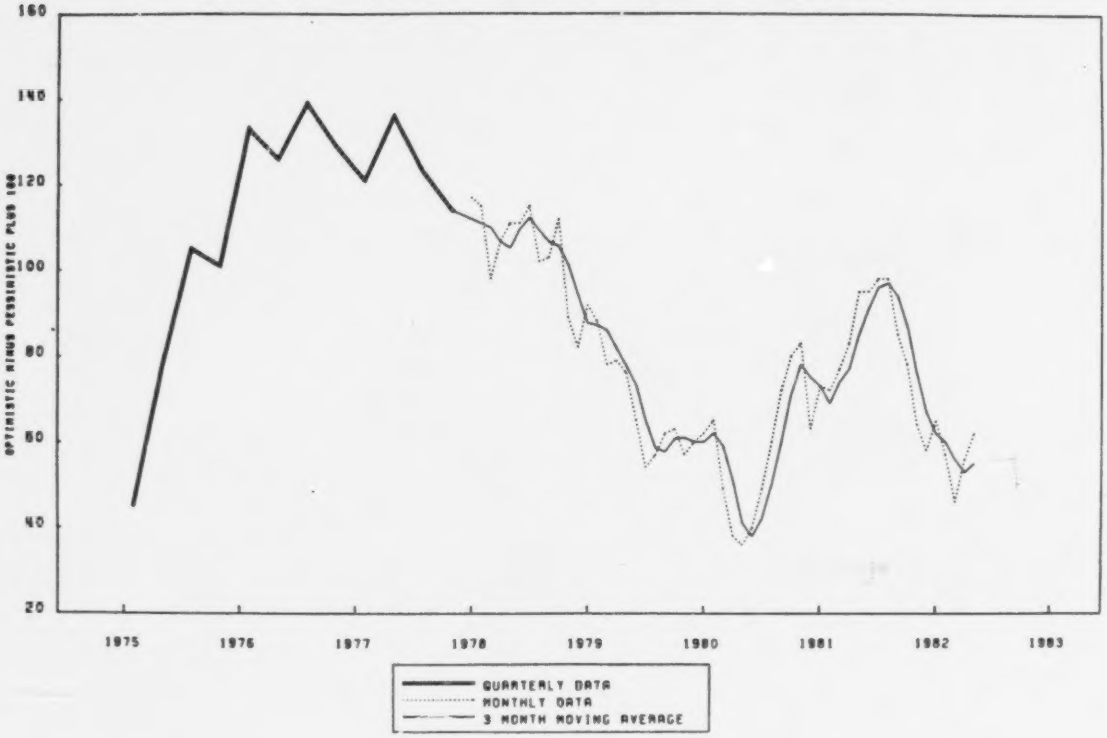
| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 198 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 25% | 25% | 21% | 29% | 24% | 19% | 15% | 15% | 19% | 19% | 13% | 14% | 18 |
| Employment | 4 | 3 | 3 | 3 | 2 | 6 | 3 | 2 | 5 | 4 | 3 | 4 | 5 |
| Higher consumer demand | 2 | 3 | 2 | 3 | 4 | 2 | 2 | 3 | 3 | 2 | 3 | 3 | 4 |
| Lower prices | 3 | 2 | 4 | 3 | 2 | 1 | 1 | 2 | 3 | 2 | 2 | 5 | 4 |
| Easier credit | 3 | 4 | 3 | 4 | 4 | 6 | 7 | 9 | 5 | 5 | 7 | 7 | 10 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 8 | 12 | 11 | 12 | 11 | 15 | 10 | 12 | 11 | 12 | 13 | 13 | 12 |
| Unemployment | 5 | 8 | 9 | 6 | 7 | 7 | 12 | 15 | 12 | 16 | 15 | 14 | 15 |
| Lower consumer demand | 4 | 4 | 5 | 3 | 6 | 4 | 6 | 7 | 6 | 7 | 9 | 7 | 4 |
| Higher prices | 6 | 8 | 7 | 4 | 9 | 7 | 8 | 8 | 5 | 6 | 6 | 4 | 4 |
| Tighter credit | 3 | 3 | 5 | 6 | 8 | 5 | 5 | 4 | 4 | 7 | 7 | 5 | 6 |
| Energy crisis | * | 1 | * | * | * | 1 | * | * | * | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

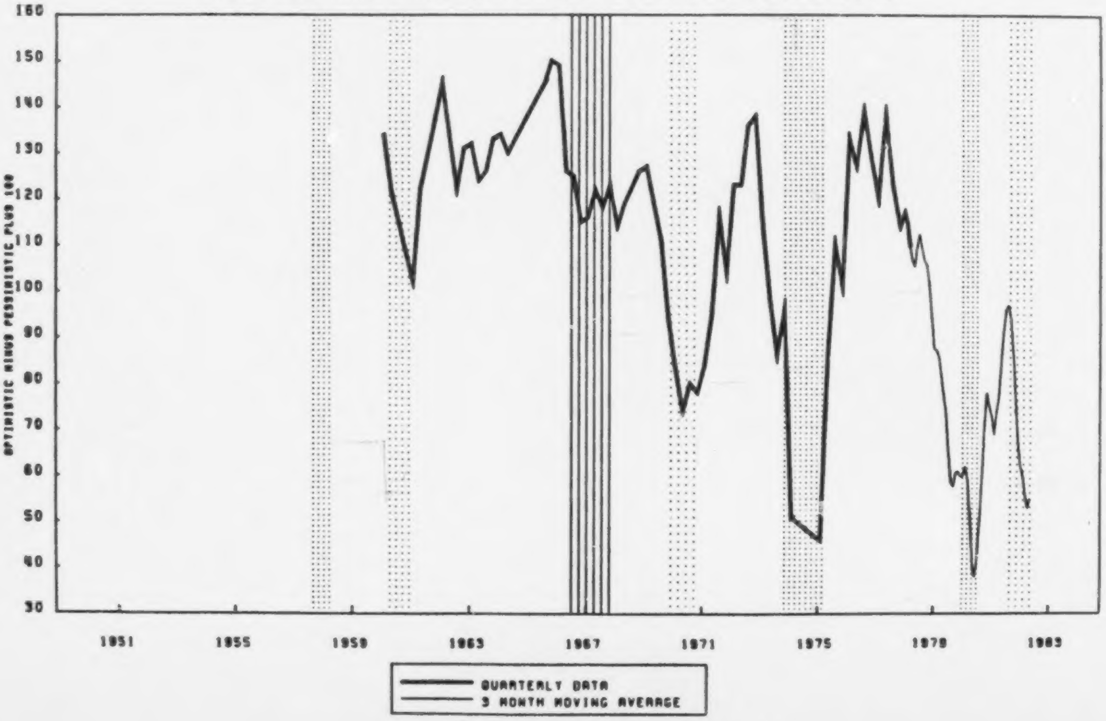
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

## CHART 17 - RECENT CHANGES
## TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## CHART 17 - HISTORICAL SERIES
## TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## TABLE 17

## TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 14% | 19% | 15% | 18% | 14% | 12% | 6% | 5% | 6% | 6% | 4% | 5% | 8% |
| Intermittent increase (b) | 17 | 16 | 21 | 17 | 16 | 14 | 11 | 8 | 9 | 6 | 5 | 7 | 6 |
| Remain unchanged (c) | 10 | 8 | 8 | 7 | 6 | 4 | 6 | 3 | 3 | 4 | 2 | 4 | 3 |
| Intermittent decline (d) | 24 | 25 | 24 | 25 | 29 | 27 | 31 | 29 | 27 | 30 | 37 | 30 | 33 |
| Continuous decline (e) | 12 | 15 | 14 | 12 | 16 | 21 | 22 | 26 | 23 | 25 | 26 | 26 | 19 |
| Mixed change (f) | 20 | 12 | 13 | 18 | 14 | 17 | 18 | 25 | 29 | 26 | 23 | 24 | 28 |
| DK,NA | 3 | 5 | 5 | 3 | 5 | 5 | 6 | 4 | 3 | 3 | 3 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

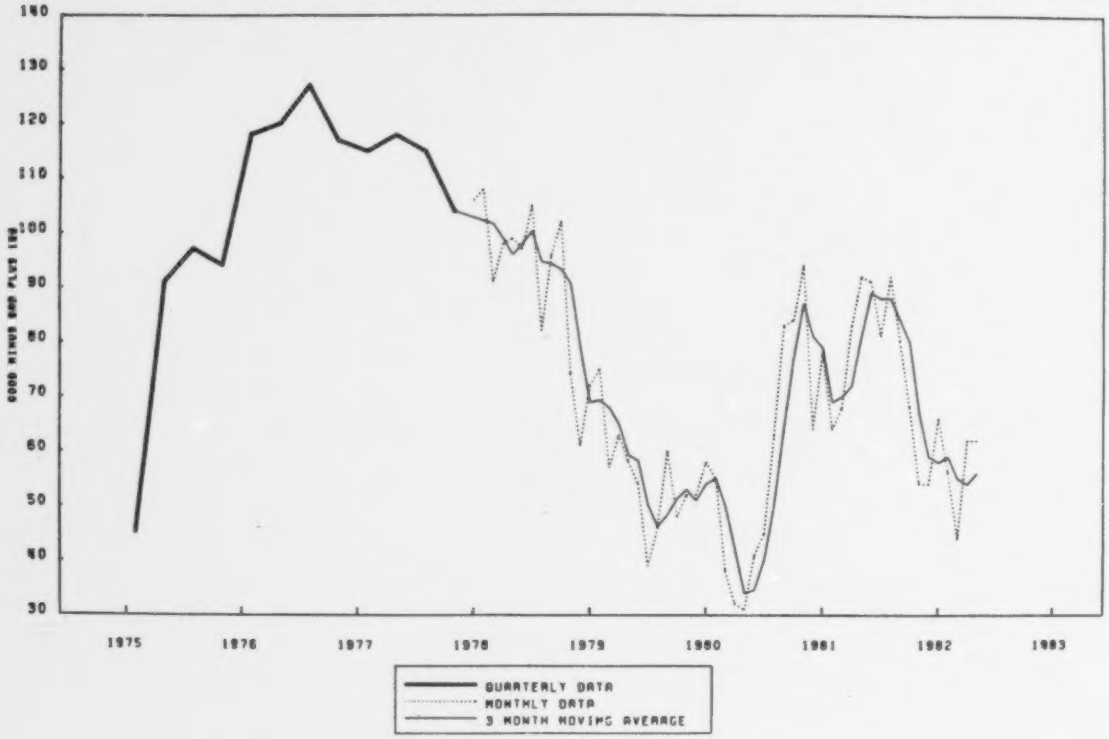
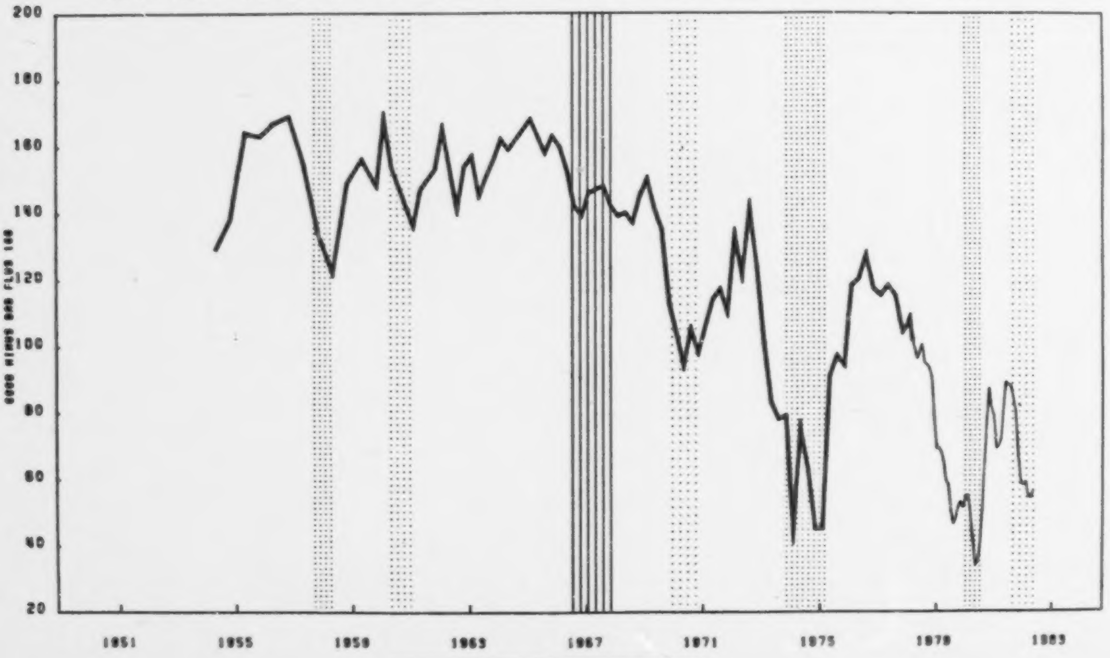


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 41% | 41% | 35% | 40% | 33% | 25% | 21% | 23% | 30% | 23% | 17% | 28% | 27% |
| UNCERTAIN; GOOD & BAD | 3 | 2 | 2 | 4 | 3 | 3 | 4 | 2 | 1 | 2 | 2 | 1 | 1 |
| BAD TIMES | 49 | 50 | 54 | 48 | 53 | 57 | 67 | 69 | 64 | 67 | 73 | 66 | 65 |
| DON'T KNOW | 5 | 5 | 5 | 5 | 6 | 8 | 6 | 4 | 3 | 4 | 3 | 4 | 4 |
| NOT ASCERTAINED | 2 | 2 | 4 | 3 | 5 | 7 | 2 | 2 | 2 | 4 | 5 | 1 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

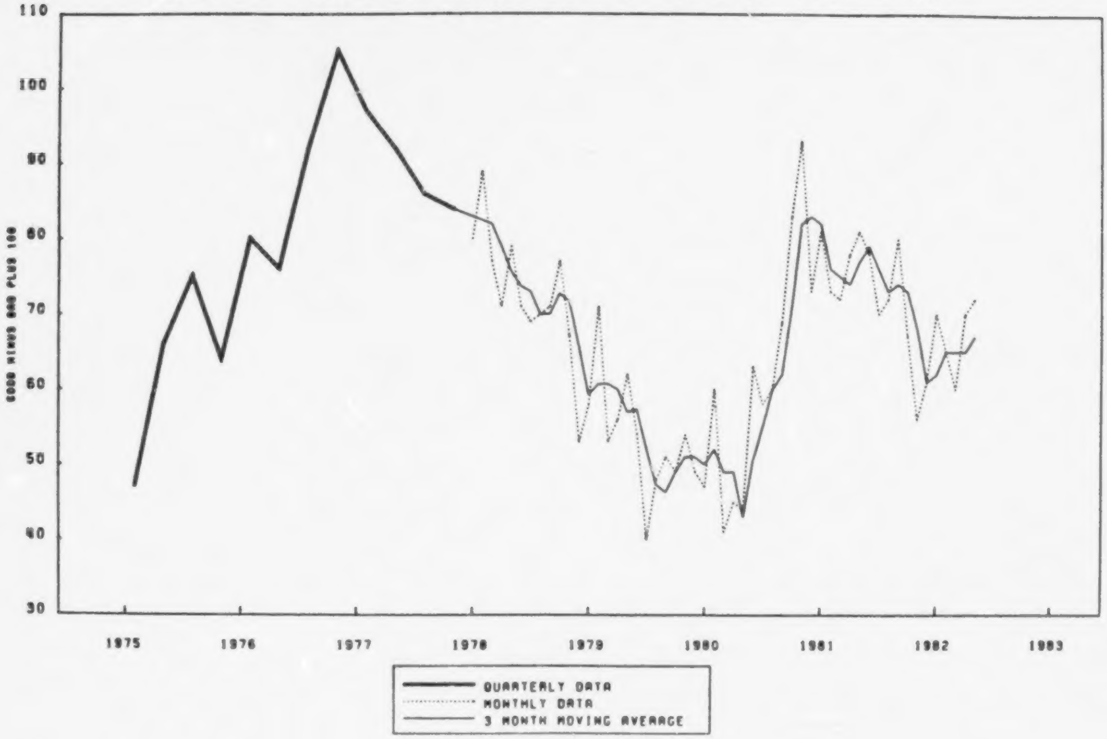


CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

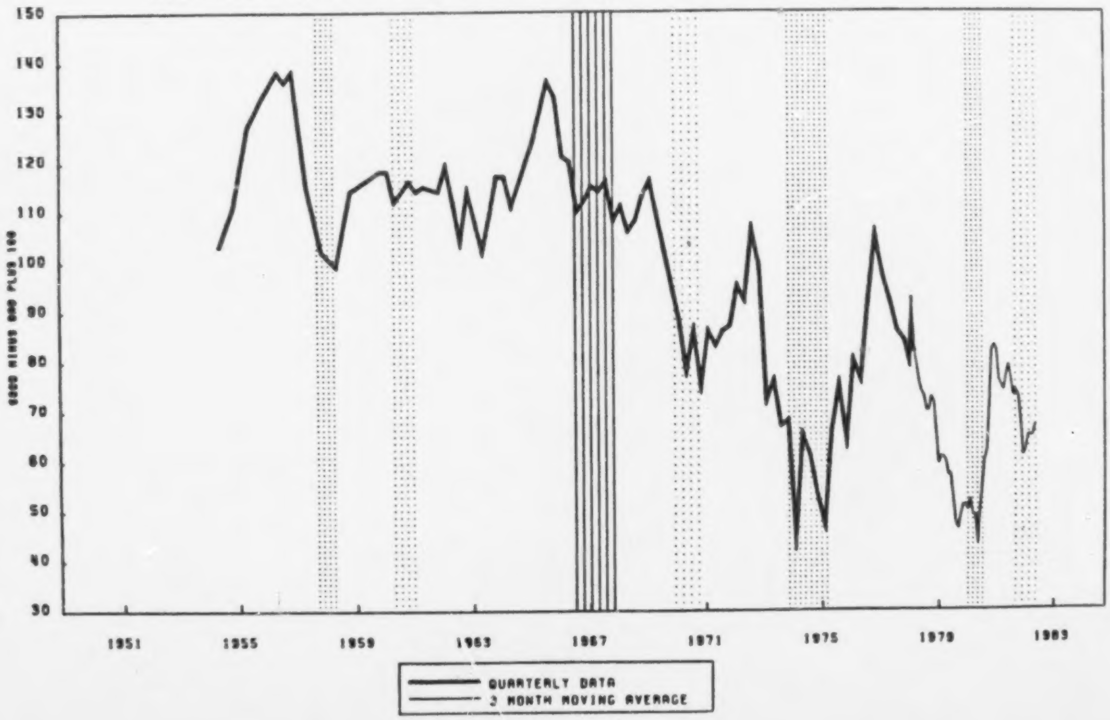


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 33% | 33% | 27% | 28% | 30% | 24% | 18% | 20% | 28% | 24% | 22% | 25% | 27% |
| UNCERTAIN; GOOD & BAD | 11 | 9 | 11 | 12 | 16 | 14 | 17 | 17 | 11 | 13 | 13 | 13 | 13 |
| BAD TIMES | 52 | 55 | 57 | 56 | 50 | 57 | 62 | 59 | 58 | 59 | 62 | 55 | 55 |
| NOT ASCERTAINED | 4 | 3 | 5 | 4 | 4 | 5 | 3 | 4 | 3 | 4 | 3 | 7 | 5 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

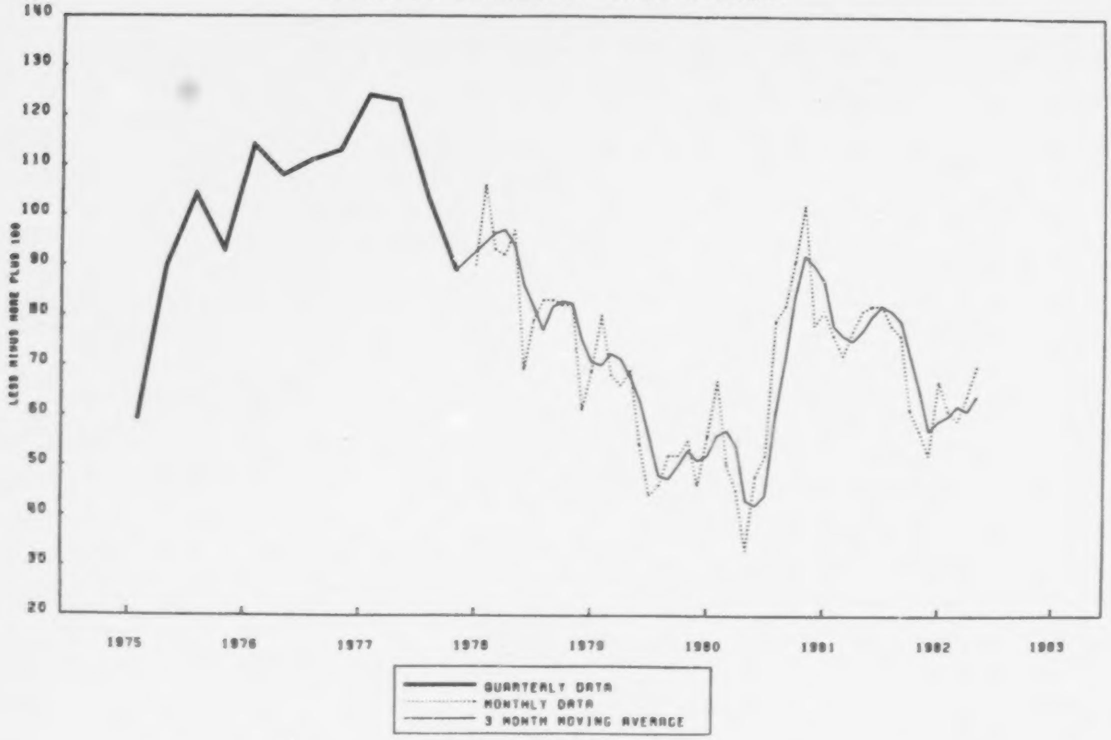
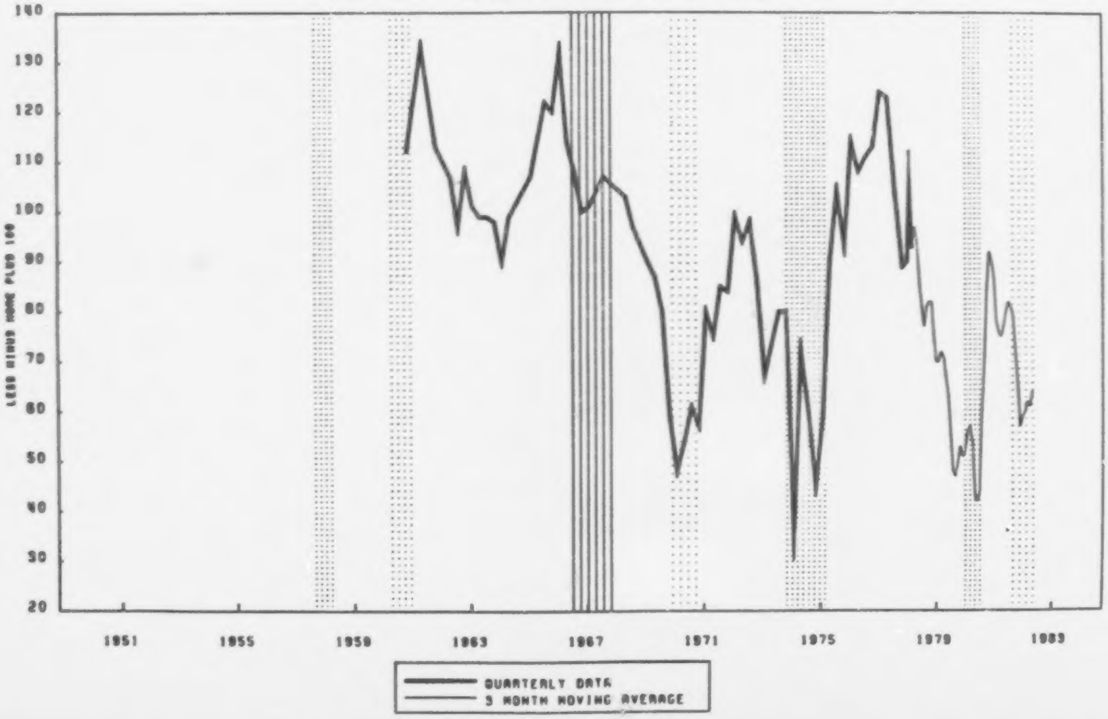


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 17% | 18% | 18% | 14% | 15% | 11% | 11% | 11% | 16% | 13% | 13% | 14% | 17% |
| SAME | 46 | 44 | 44 | 47 | 45 | 38 | 33 | 28 | 34 | 33 | 32 | 34 | 35 |
| MORE | 36 | 36 | 36 | 36 | 39 | 50 | 54 | 59 | 49 | 52 | 54 | 50 | 47 |
| DK,NA | 1 | 2 | 2 | 3 | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

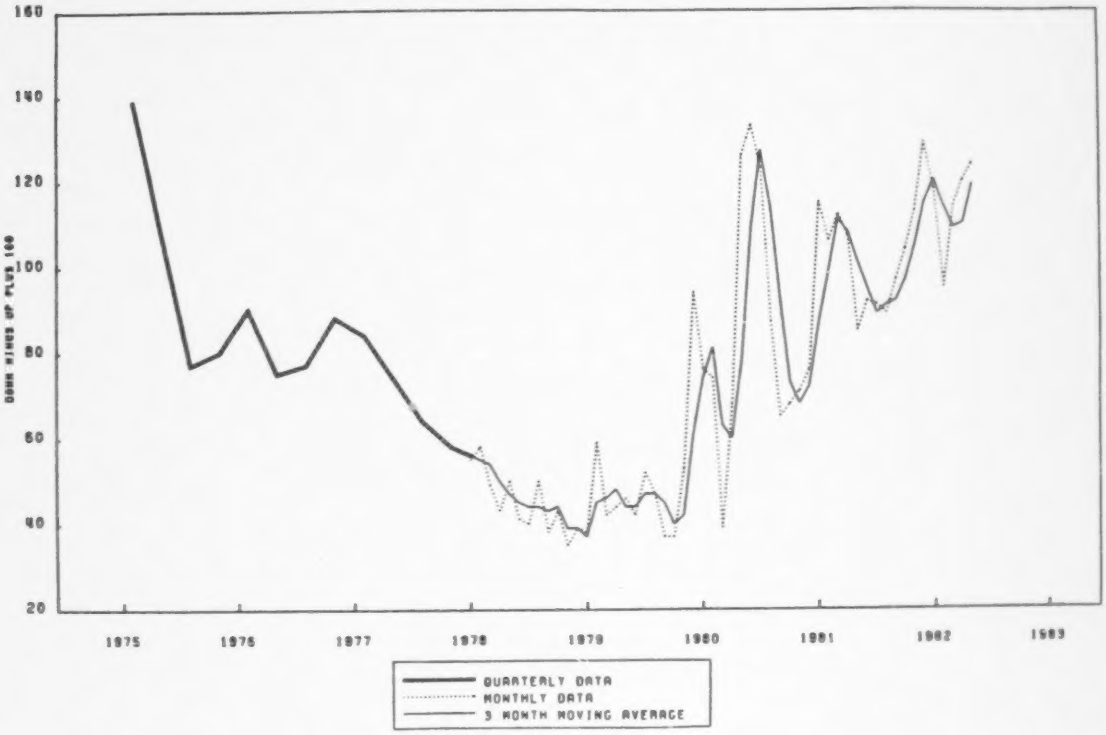
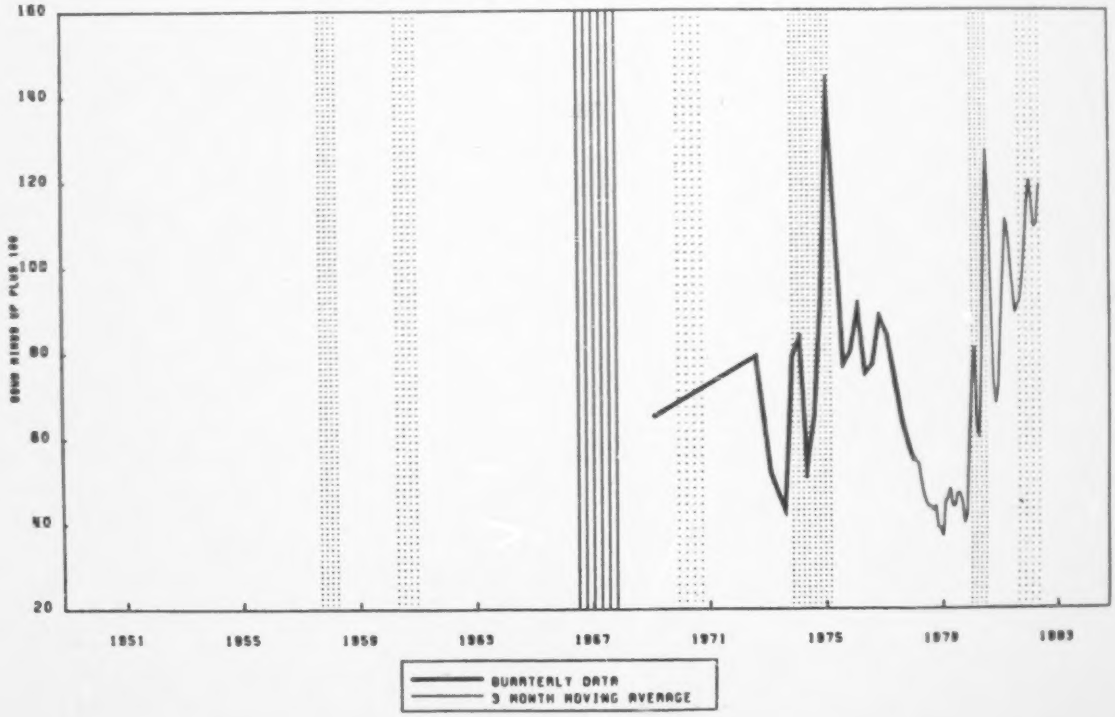


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES



## TABLE 21

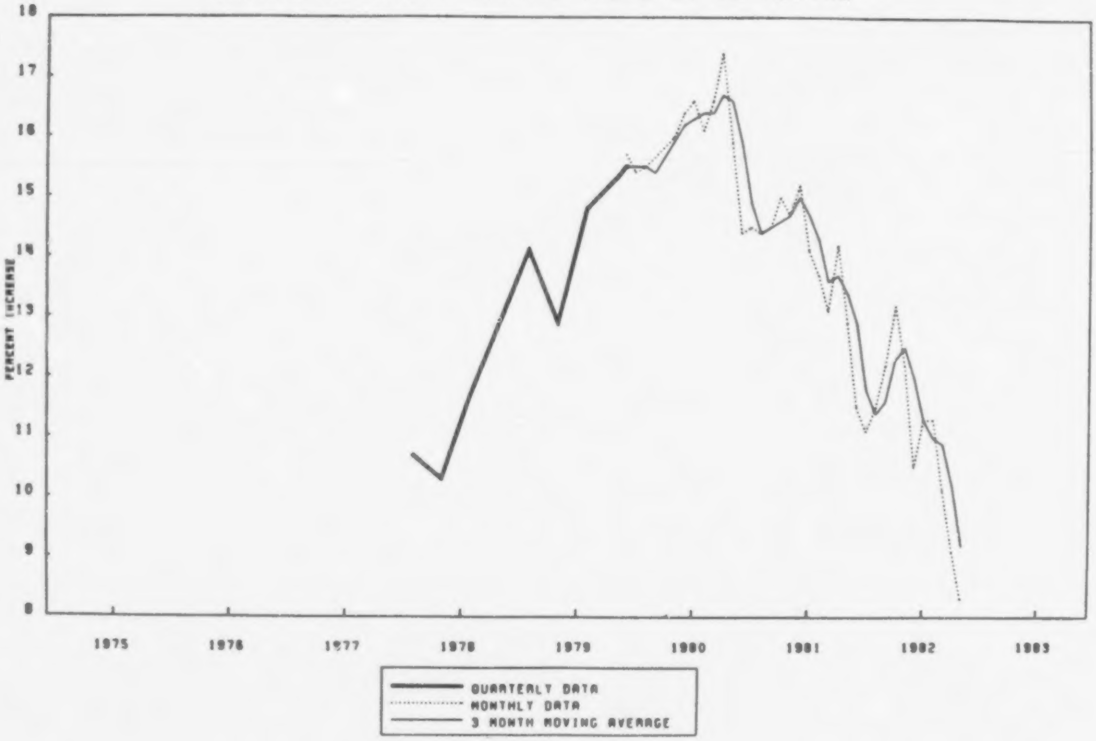
## EXPECTED CHANGE IN INTEREST RATES

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 41% | 38% | 38% | 37% | 33% | 31% | 29% | 21% | 25% | 34% | 25% | 22% | 19% |
| STAY THE SAME | 30 | 27 | 28 | 34 | 33 | 30 | 25 | 25 | 28 | 33 | 33 | 33 | 34 |
| GO DOWN | 26 | 30 | 29 | 26 | 30 | 35 | 42 | 50 | 43 | 29 | 39 | 42 | 43 |
| DK,NA | 3 | 5 | 5 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS



## TABLE 22

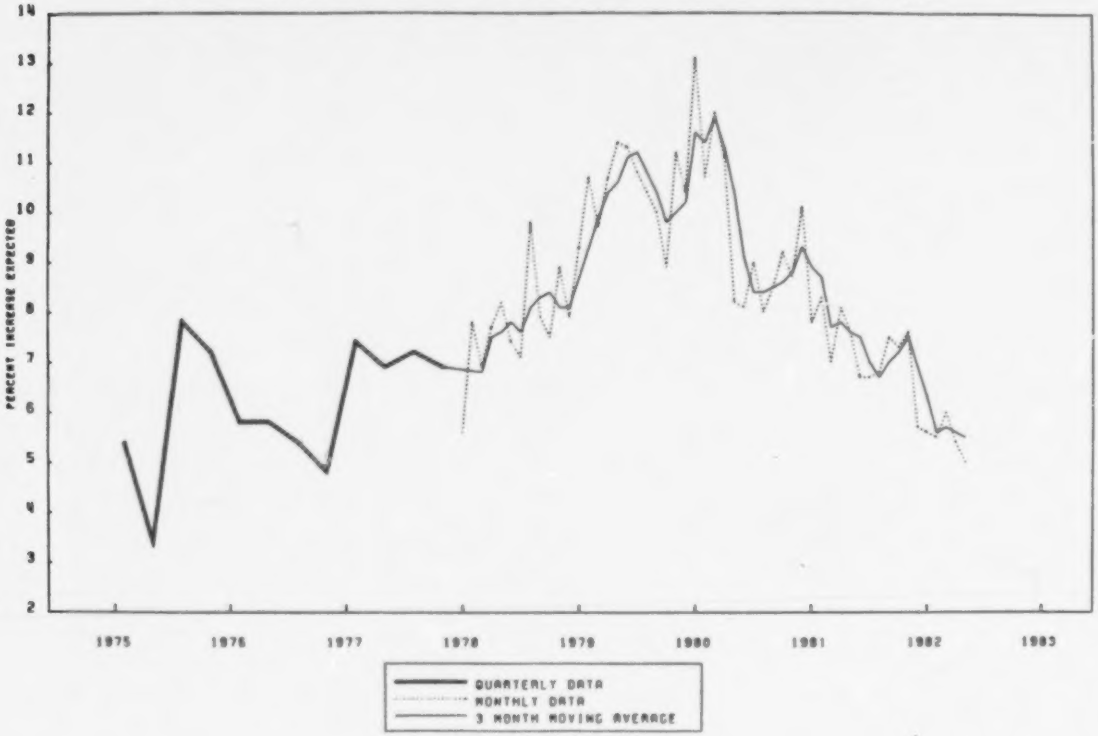
## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 5% | 9% | 10% | 11% | 10% | 8% | 7% | 10% | 11% | 13% | 15% | 15% | 23% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 2 | 4 | 4 | 4 | 3 | 4 | 2 | 4 | 4 | 4 | 5 | 4 | 2 |
| 3-4% | 7 | 7 | 7 | 7 | 5 | 6 | 7 | 7 | 5 | 6 | 7 | 7 | 11 |
| 5% | 8 | 11 | 11 | 10 | 9 | 9 | 11 | 11 | 11 | 11 | 13 | 12 | 12 |
| 6-9% | 10 | 12 | 12 | 11 | 15 | 12 | 14 | 15 | 17 | 14 | 12 | 14 | 13 |
| 10-14% | 31 | 28 | 24 | 25 | 25 | 26 | 26 | 28 | 24 | 24 | 24 | 24 | 16 |
| 15% or more | 27 | 24 | 24 | 23 | 24 | 27 | 24 | 19 | 22 | 22 | 19 | 17 | 17 |
| DK how much up | 10 | 5 | 8 | 9 | 8 | 8 | 8 | 6 | 6 | 6 | 5 | 7 | 6 |
| DK,NA | * | * | * | * | 1 | * | 1 | * | * | * | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 12.9 | 11.5 | 11.1 | 11.5 | 12.2 | 13.2 | 12.2 | 10.5 | 11.3 | 11.3 | 10.1 | 9.1 | 8.3 |
| VARIANCE | 123 | 110 | 111 | 114 | 143 | 156 | 134 | 104 | 126 | 132 | 114 | 83 | 96 |
| CASES | 667 | 675 | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

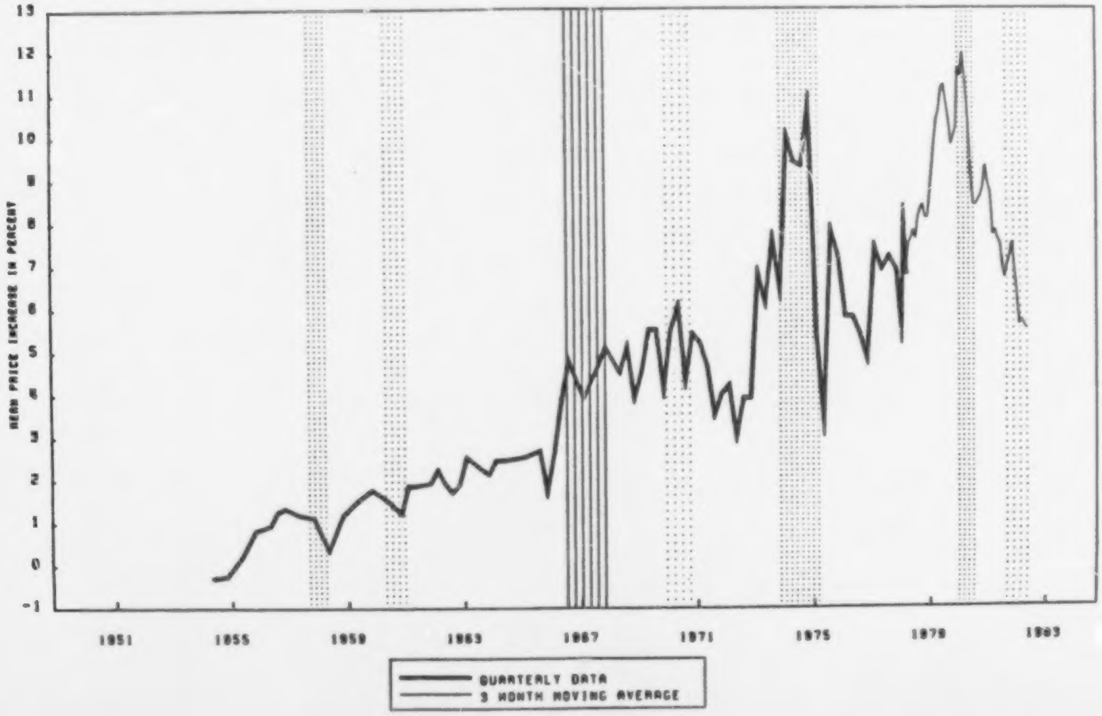
The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

## CHART 23 - RECENT CHANGES
## MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## CHART 23 - HISTORICAL SERIES
## MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 25% | 31% | 31% | 28% | 30% | 27% | 27% | 35% | 36% | 38% | 32% | 33% | 36% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 2 | 4 | 2 | 6 | 5 | 5 | 4 | 4 | 5 | 4 | 7 | 4 | 6 |
| 3-4% | 8 | 7 | 7 | 7 | 8 | 7 | 6 | 8 | 8 | 7 | 11 | 7 | 9 |
| 5% | 10 | 9 | 10 | 12 | 10 | 12 | 11 | 12 | 13 | 12 | 11 | 16 | 15 |
| 6-9% | 13 | 12 | 15 | 12 | 11 | 14 | 11 | 14 | 11 | 12 | 12 | 10 | 11 |
| 10-14% | 22 | 22 | 18 | 16 | 17 | 17 | 22 | 14 | 13 | 14 | 12 | 16 | 8 |
| 15% or more | 11 | 10 | 10 | 11 | 13 | 12 | 11 | 8 | 8 | 7 | 11 | 8 | 8 |
| DK how much up | 7 | 4 | 7 | 5 | 5 | 5 | 6 | 3 | 4 | 5 | 2 | 3 | 4 |
| DK,NA | 2 | 1 | * | 3 | 1 | 1 | 2 | 2 | 2 | 1 | 2 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 7.6 | 6.7 | 6.7 | 6.8 | 7.5 | 7.3 | 7.6 | 5.7 | 5.6 | 5.5 | 6.0 | 5.4 | 5.0 |
| VARIANCE | 79 | 62 | 70 | 70 | 91 | 71 | 84 | 62 | 59 | 59 | 85 | 54 | 58 |
| CASES | 667 | 675 | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

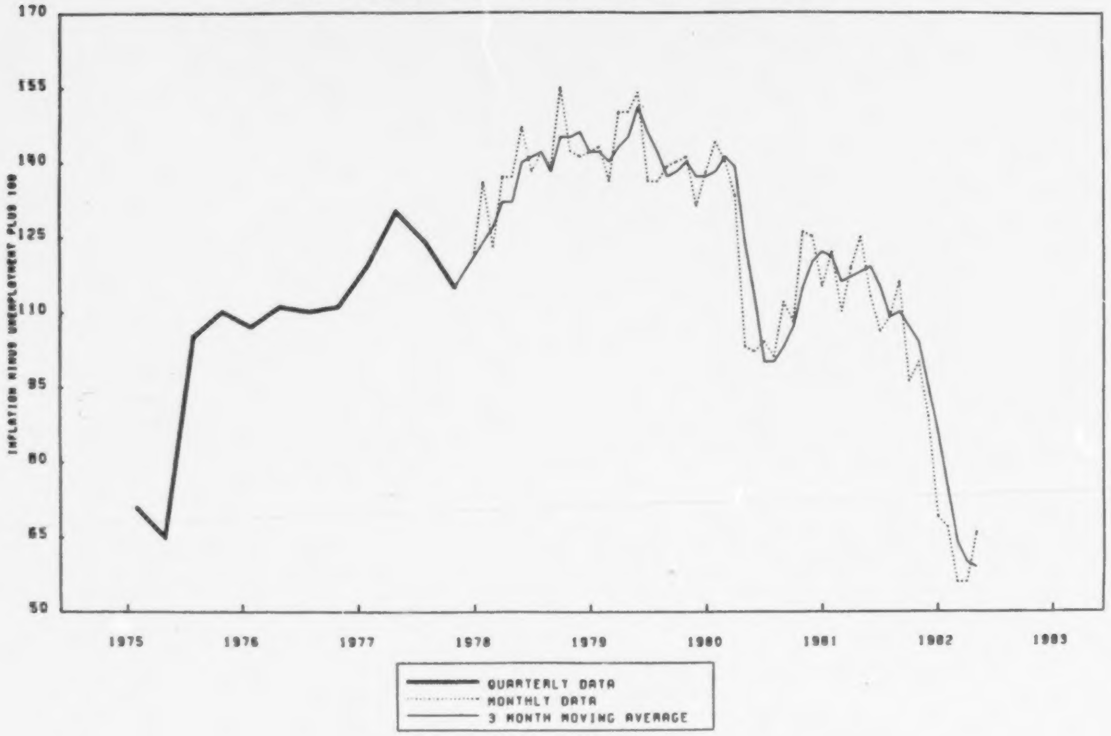


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

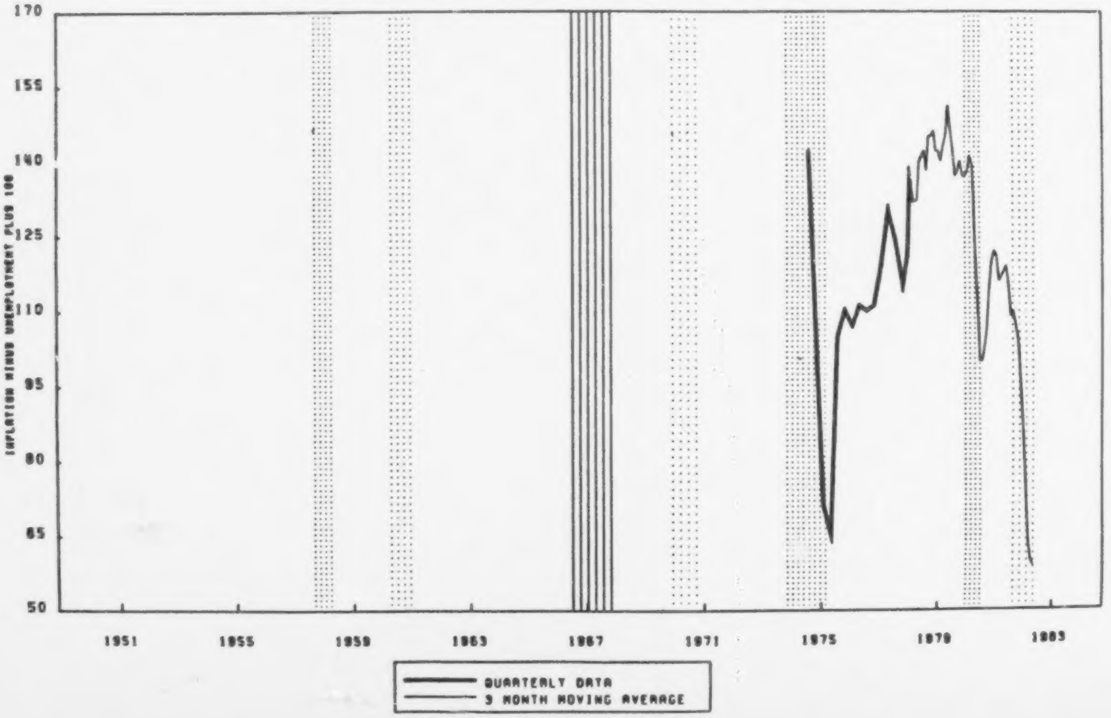


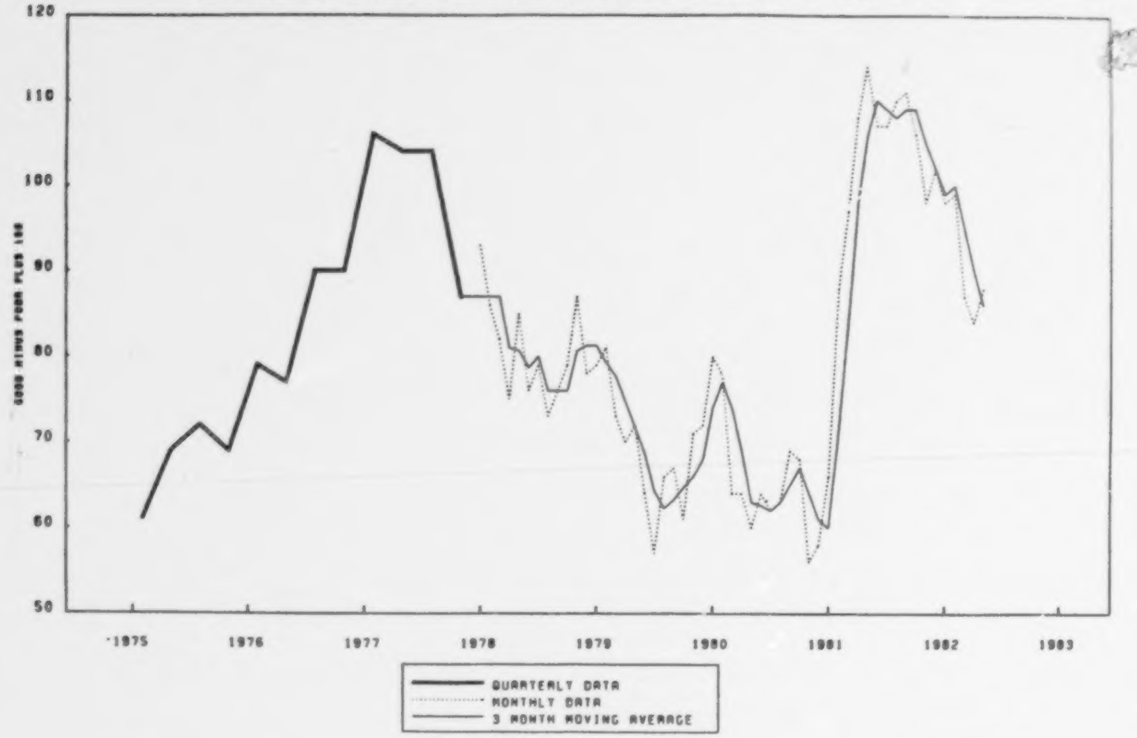
TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

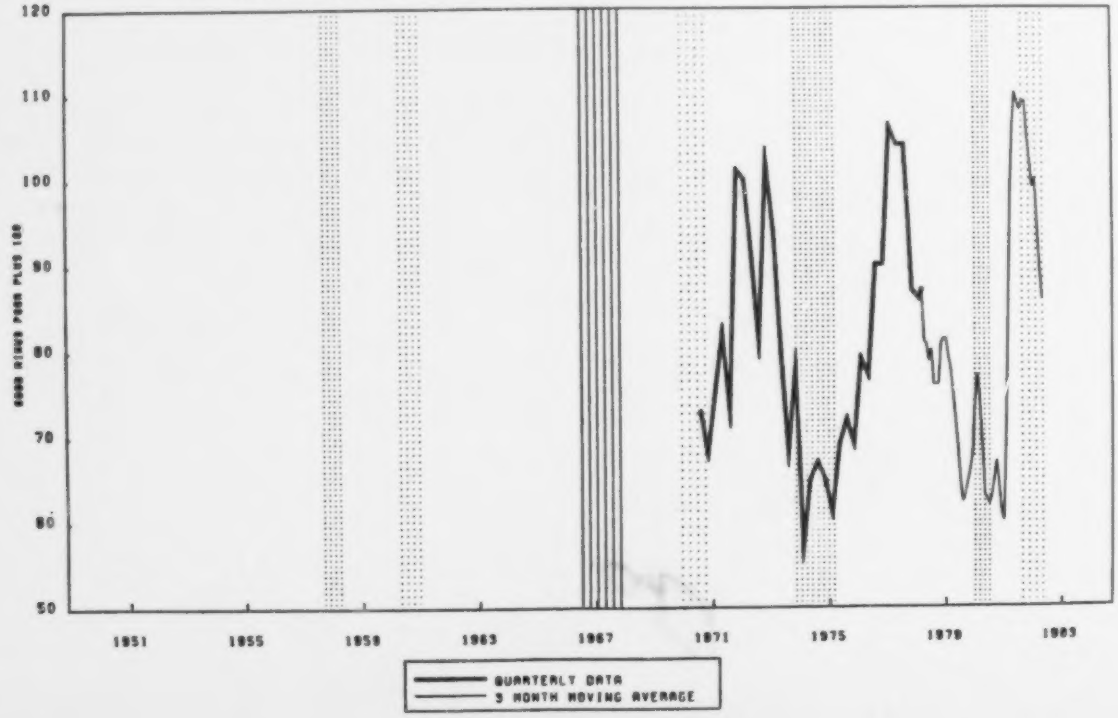
| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 33% | 36% | 42% | 39% | 37% | 45% | 43% | 49% | 60% | 59% | 66% | 65% | 62% |
| BOTH EQUALLY SERIOUS | 8 | 14 | 9 | 11 | 9 | 12 | 13 | 11 | 10 | 14 | 11 | 13 | 9 |
| INFLATION | 58 | 49 | 48 | 48 | 53 | 41 | 43 | 38 | 29 | 26 | 22 | 21 | 28 |
| DK,NA | 1 | 1 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

## CHART 25 - RECENT CHANGES
## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## CHART 25 - HISTORICAL SERIES
## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 30% | 25% | 28% | 31% | 31% | 31% | 23% | 26% | 25% | 27% | 18% | 22% | 20% |
| ONLY FAIR | 49 | 54 | 47 | 44 | 45 | 41 | 49 | 47 | 46 | 42 | 48 | 37 | 46 |
| A POOR JOB | 16 | 18 | 21 | 21 | 20 | 25 | 25 | 24 | 27 | 28 | 31 | 38 | 32 |
| DK,NA | 5 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

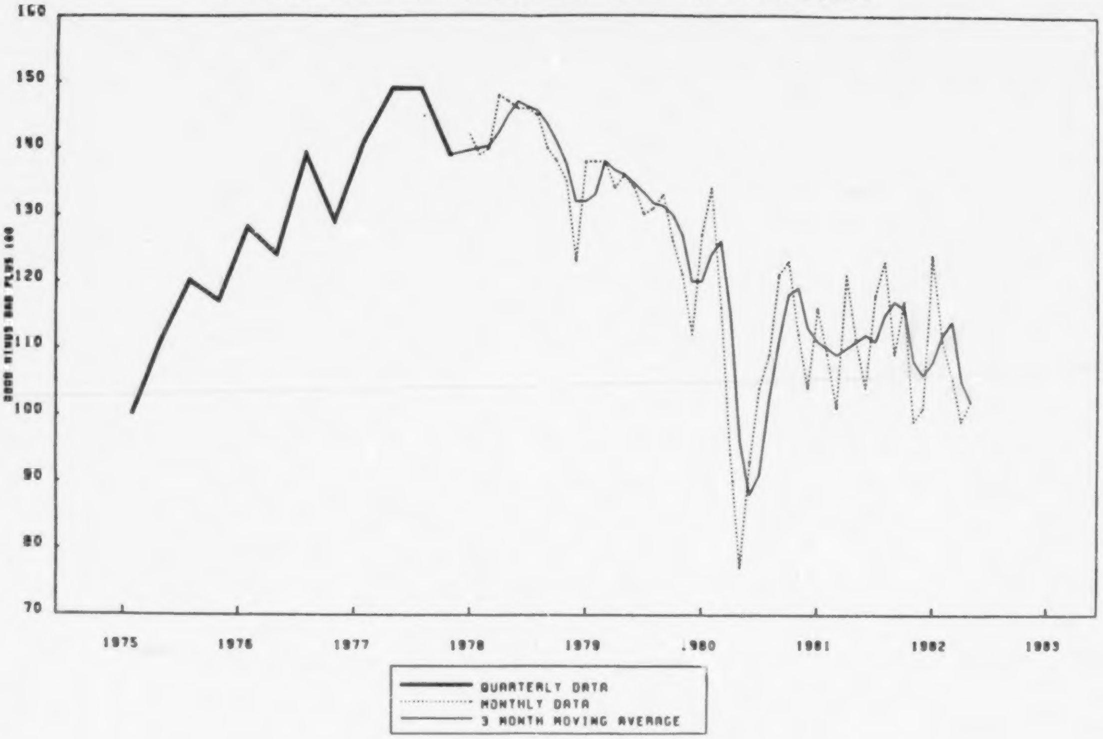
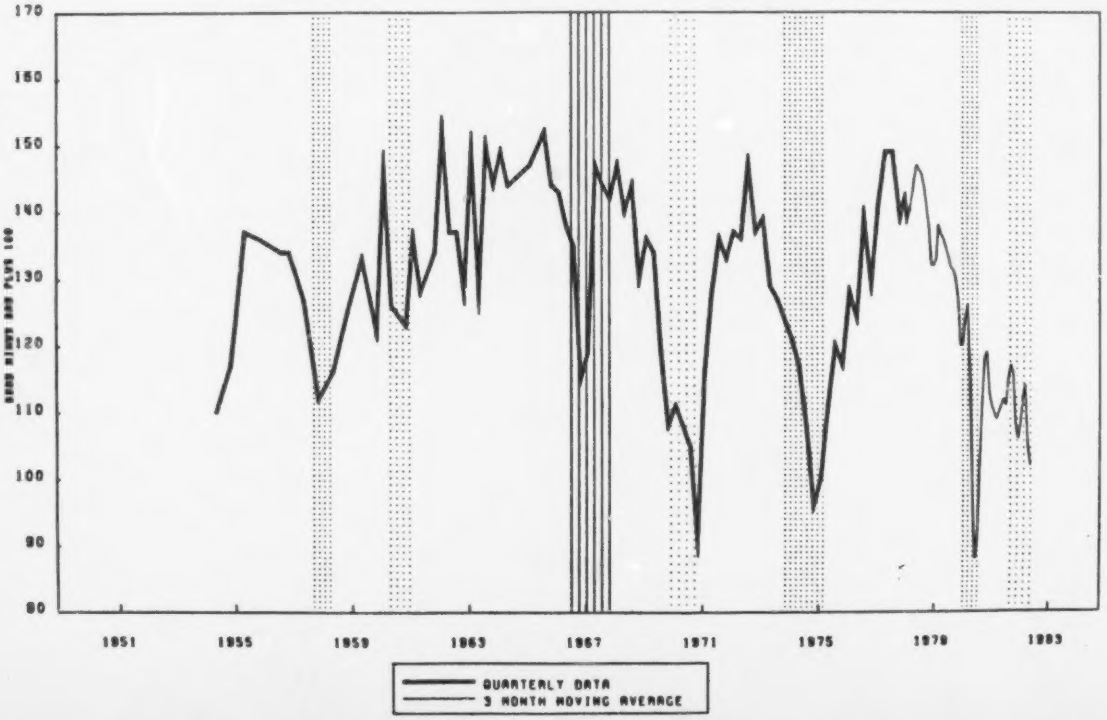


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## TABLE 26

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 50% | 44% | 53% | 55% | 44% | 52% | 43% | 44% | 57% | 48% | 48% | 41% | 45% |
| UNCERTAIN, DEPENDS | 11 | 16 | 12 | 13 | 21 | 13 | 13 | 13 | 10 | 15 | 10 | 17 | 12 |
| BAD TIME TO BUY | 39 | 40 | 35 | 32 | 35 | 35 | 44 | 43 | 33 | 37 | 42 | 42 | 43 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

## TABLE 27

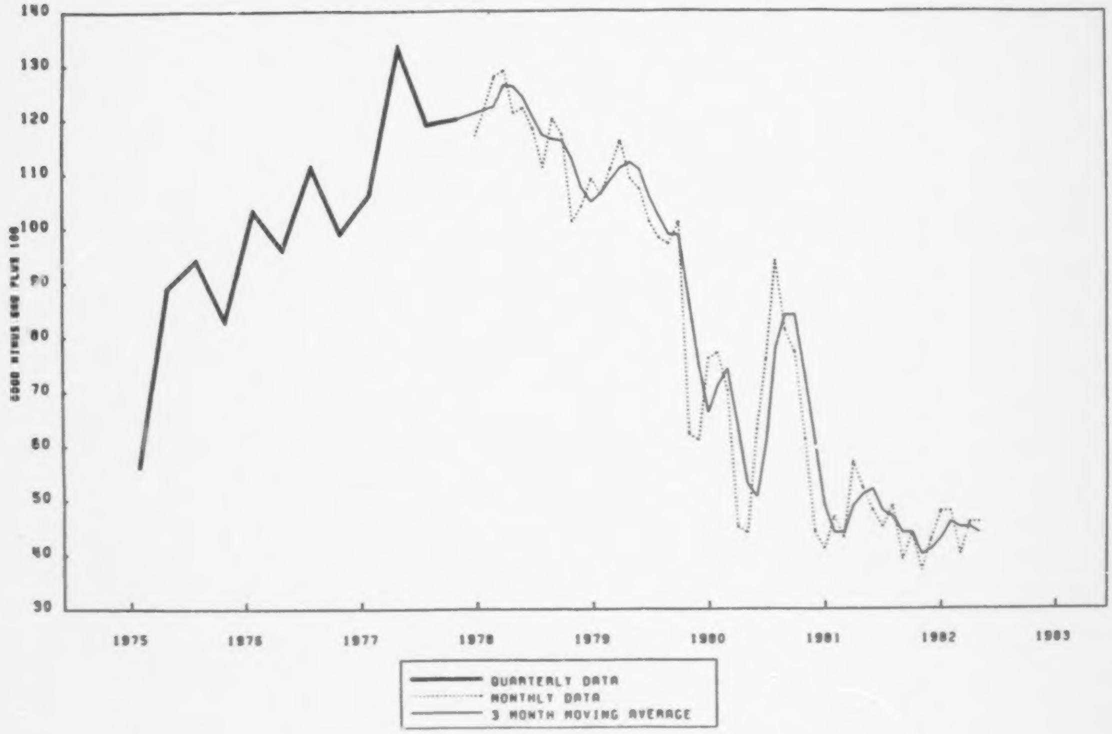
## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 16% | 20% | 24% | 24% | 20% | 21% | 19% | 26% | 32% | 30% | 32% | 29% | 31% |
| Prices won't come down; are going higher | 30 | 23 | 27 | 26 | 21 | 25 | 20 | 21 | 22 | 18 | 15 | 14 | 15 |
| Interest rates low; credit is easy | 3 | 1 | 2 | 3 | 1 | 1 | 2 | 2 | 3 | 2 | 1 | 1 | 3 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 25 | 22 | 23 | 17 | 21 | 19 | 25 | 26 | 17 | 22 | 22 | 23 | 21 |
| Interest rates are high; credit is tight | 18 | 23 | 17 | 21 | 21 | 17 | 23 | 21 | 18 | 19 | 24 | 26 | 24 |
| Lack of purchasing power | 9 | 13 | 8 | 7 | 9 | 11 | 12 | 15 | 13 | 15 | 18 | 19 | 20 |

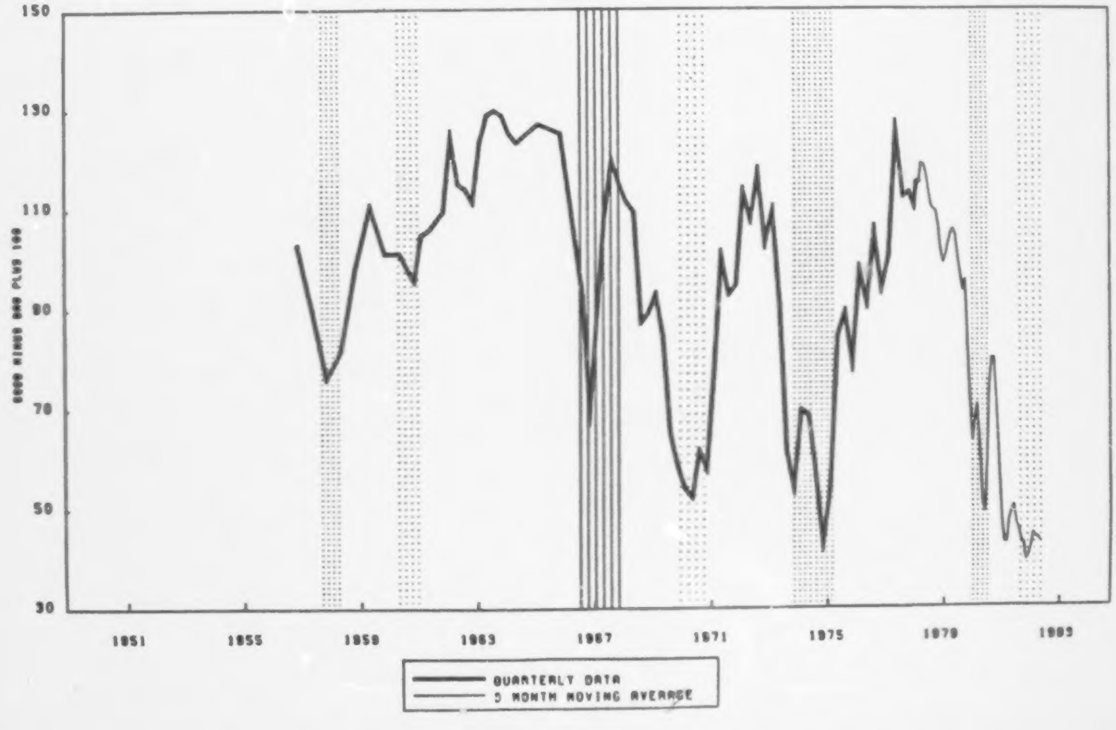
Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

## CHART 28 - RECENT CHANGES
## BUYING CONDITIONS FOR HOUSES



## CHART 28 - HISTORICAL SERIES
## BUYING CONDITIONS FOR HOUSES



## TABLE 28

## BUYING CONDITIONS FOR HOUSES

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 24% | 20% | 20% | 21% | 15% | 18% | 16% | 19% | 21% | 21% | 17% | 20% | 19% |
| UNCERTAIN, DEPENDS | 4 | 8 | 5 | 7 | 9 | 8 | 5 | 5 | 6 | 6 | 6 | 6 | 8 |
| BAD TIME TO BUY | 72 | 72 | 75 | 72 | 76 | 74 | 79 | 76 | 73 | 73 | 77 | 74 | 73 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

## TABLE 29

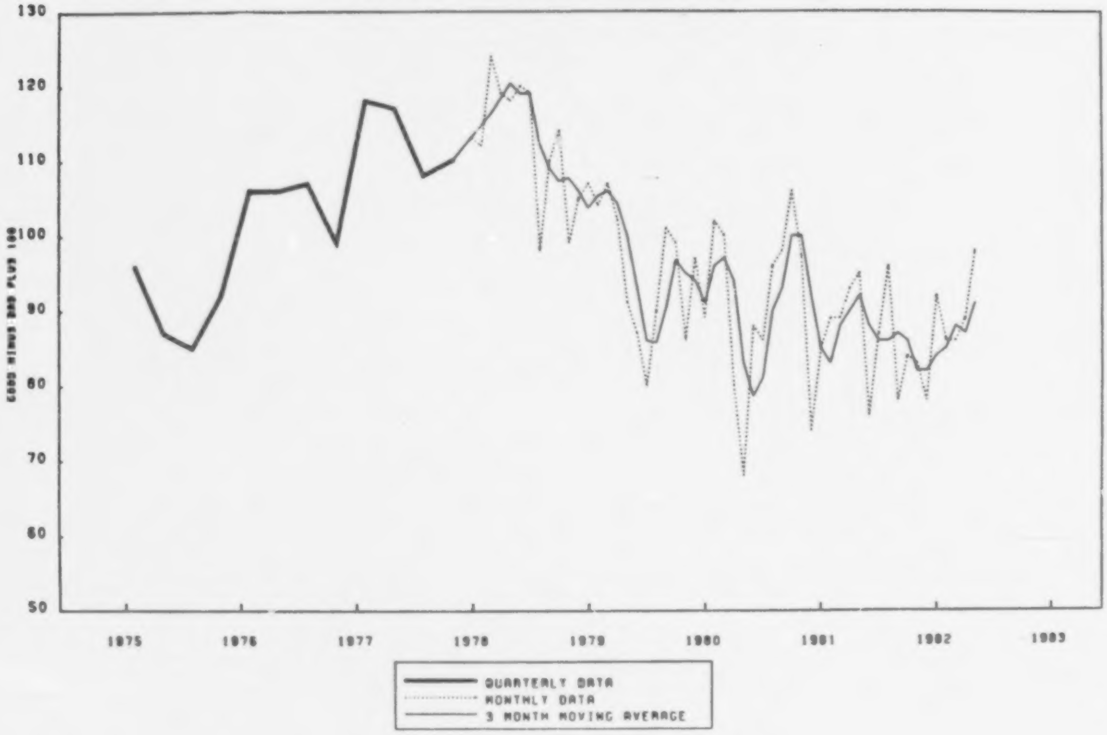
## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 5% | 5% | 5% | 6% | 5% | 7% | 7% | 12% | 13% | 11% | 13% | 15% | 16% |
| Prices won´t come down; are going higher | 10 | 10 | 10 | 10 | 7 | 9 | 7 | 7 | 5 | 5 | 7 | 4 | 4 |
| Interest rates low, credit is easy | 7 | 5 | 6 | 8 | 6 | 4 | 4 | 6 | 8 | 7 | 4 | 6 | 6 |
| Good investment | 6 | 6 | 7 | 5 | 4 | 3 | 5 | 3 | 5 | 6 | 4 | 5 | 5 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 28 | 30 | 30 | 23 | 30 | 27 | 24 | 27 | 28 | 24 | 25 | 24 | 27 |
| Interest rates are high; credit is tight | 71 | 71 | 71 | 76 | 80 | 78 | 83 | 81 | 72 | 76 | 78 | 74 | 72 |
| Lack of purchasing power | 11 | 13 | 12 | 11 | 15 | 11 | 17 | 21 | 22 | 19 | 23 | 22 | 18 |

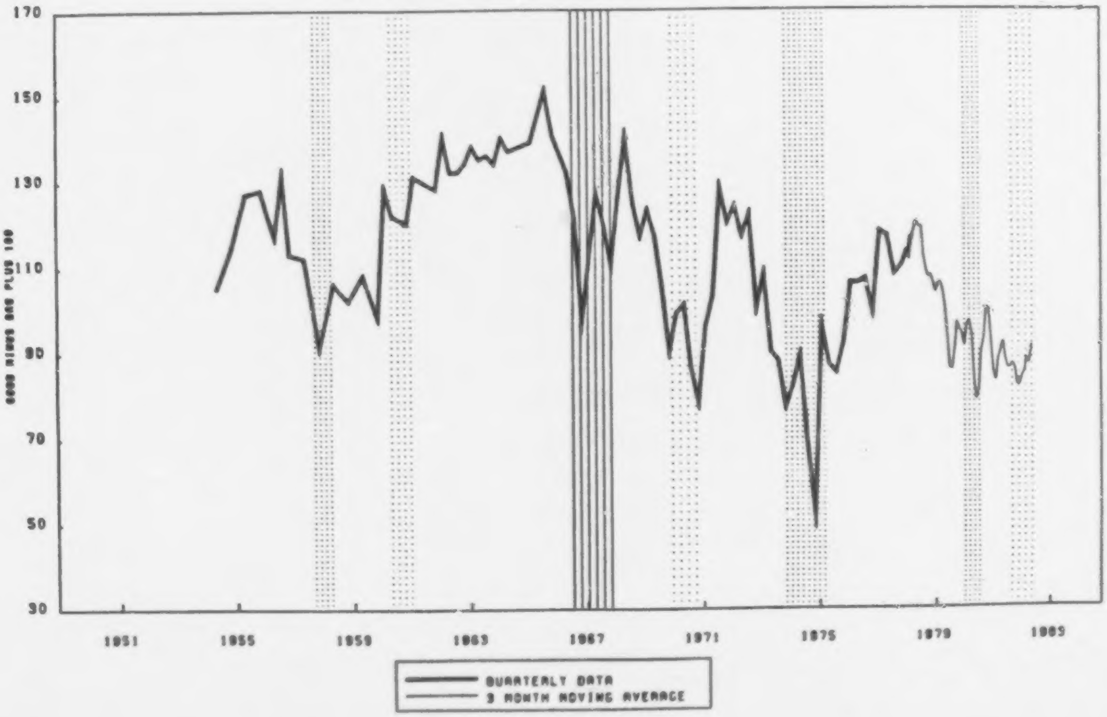
Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

## CHART 30 - RECENT CHANGES
## BUYING CONDITIONS FOR CARS



## CHART 30 - HISTORICAL SERIES
## BUYING CONDITIONS FOR CARS



## TABLE 30

## BUYING CONDITIONS FOR CARS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 44% | 33% | 40% | 43% | 34% | 37% | 37% | 34% | 41% | 37% | 39% | 40% | 44% |
| UNCERTAIN; DEPENDS | 7 | 10 | 7 | 10 | 10 | 10 | 9 | 10 | 10 | 12 | 8 | 9 | 10 |
| BAD TIME TO BUY | 49 | 57 | 53 | 47 | 56 | 53 | 54 | 56 | 49 | 51 | 53 | 51 | 46 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

## TABLE 31

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 23% | 14% | 17% | 19% | 14% | 20% | 21% | 22% | 29% | 33% | 37% | 36% | 36% |
| Prices won't come down; are going higher | 15 | 12 | 18 | 18 | 15 | 14 | 12 | 12 | 11 | 6 | 8 | 7 | 8 |
| Interest rates low; credit is easy | 4 | 2 | 3 | 5 | 6 | 4 | 5 | 5 | 6 | 3 | 3 | 7 | 11 |
| New fuel efficient models | 5 | 5 | 5 | 4 | 4 | 2 | 1 | 1 | 2 | 2 | 1 | 2 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 33 | 34 | 33 | 26 | 30 | 36 | 32 | 37 | 31 | 33 | 32 | 28 | 27 |
| Interest rates are high; credit is tight | 17 | 28 | 25 | 26 | 31 | 29 | 26 | 27 | 26 | 28 | 30 | 29 | 26 |
| Lack of purchasing power | 6 | 6 | 6 | 5 | 8 | 7 | 8 | 13 | 13 | 12 | 16 | 13 | 11 |
| Price of gas; shortages | 3 | 2 | 3 | 4 | 3 | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 1 |
| Poor selection; quality | 10 | 9 | 11 | 8 | 9 | 8 | 10 | 9 | 8 | 9 | 7 | 8 | 6 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 17% | 17% | 14% | 19% | 17% | 14% | 19% | 19% | 16% | 17% | 14% | 17% | 19% |
| CHANCES ARE EVEN | 9 | 8 | 7 | 7 | 3 | 7 | 6 | 7 | 8 | 7 | 7 | 6 | 8 |
| PROBABLY WILL NOT BUY | 63 | 66 | 64 | 59 | 67 | 70 | 66 | 64 | 67 | 68 | 70 | 67 | 63 |
| DK,NA | 11 | 9 | 15 | 15 | 13 | 9 | 9 | 10 | 9 | 8 | 9 | 10 | 10 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 667 | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 26% | 25% | 21% | 26% | 20% | 21% | 25% | 26% | 24% | 24% | 21% | 23% | 27% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 11 | 10 | 9 | 12 | 9 | 10 | 11 | 11 | 9 | 11 | 11 | 11 | 13 |
| Buy used | 12 | 11 | 9 | 11 | 9 | 9 | 12 | 13 | 13 | 11 | 9 | 11 | 11 |
| Lease | 1 | 2 | 2 | 2 | 1 | 1 | * | 1 | 1 | 1 | * | 1 | 1 |
| DK,NA | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | * | 2 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 5 | 2 | 5 | 3 | 2 | 4 | 2 | 1 | 5 | 3 | 1 | 4 | 4 |
| Next 4-6 months | 5 | 7 | 6 | 7 | 4 | 6 | 6 | 5 | 7 | 6 | 5 | 7 | 7 |
| Next 7-9 months | 7 | 7 | 2 | 3 | 5 | 3 | 8 | 10 | 6 | 7 | 5 | 6 | 7 |
| 10 months or more | 3 | 5 | 3 | 7 | 5 | 4 | 4 | 6 | 3 | 5 | 6 | 2 | 3 |
| DK,NA | 6 | 4 | 5 | 6 | 4 | 4 | 5 | 4 | 3 | 3 | 4 | 4 | 6 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

## TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | May 1981 | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 63% | 66% | 64% | 59% | 67% | 70% | 66% | 64% | 67% | 68% | 70% | 67% | 63% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 37 | 37 | 35 | 34 | 33 | 38 | 34 | 33 | 36 | 37 | 38 | 39 | 34 |
| Would buy used | 25 | 27 | 27 | 23 | 31 | 29 | 29 | 29 | 30 | 28 | 31 | 26 | 28 |
| DK,NA | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 2 | 1 | 3 | 1 | 2 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 6 | 5 | 4 | 7 | 5 | 5 | 7 | 6 | 7 | 5 | 10 | 5 | 5 |
| 2 years | 22 | 20 | 19 | 18 | 23 | 20 | 18 | 22 | 23 | 22 | 22 | 21 | 20 |
| 3 years | 10 | 11 | 11 | 10 | 10 | 11 | 8 | 9 | 12 | 11 | 11 | 12 | 11 |
| 4 years or more | 15 | 20 | 18 | 18 | 21 | 24 | 19 | 19 | 19 | 22 | 21 | 22 | 19 |
| Indefinite | 4 | 5 | 5 | 1 | 2 | 4 | 4 | 3 | 3 | 1 | 1 | 1 | 2 |
| DK,NA | 6 | 5 | 7 | 5 | 6 | 6 | 10 | 5 | 3 | 7 | 5 | 6 | 6 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

# EXPLANATORY CHARTS

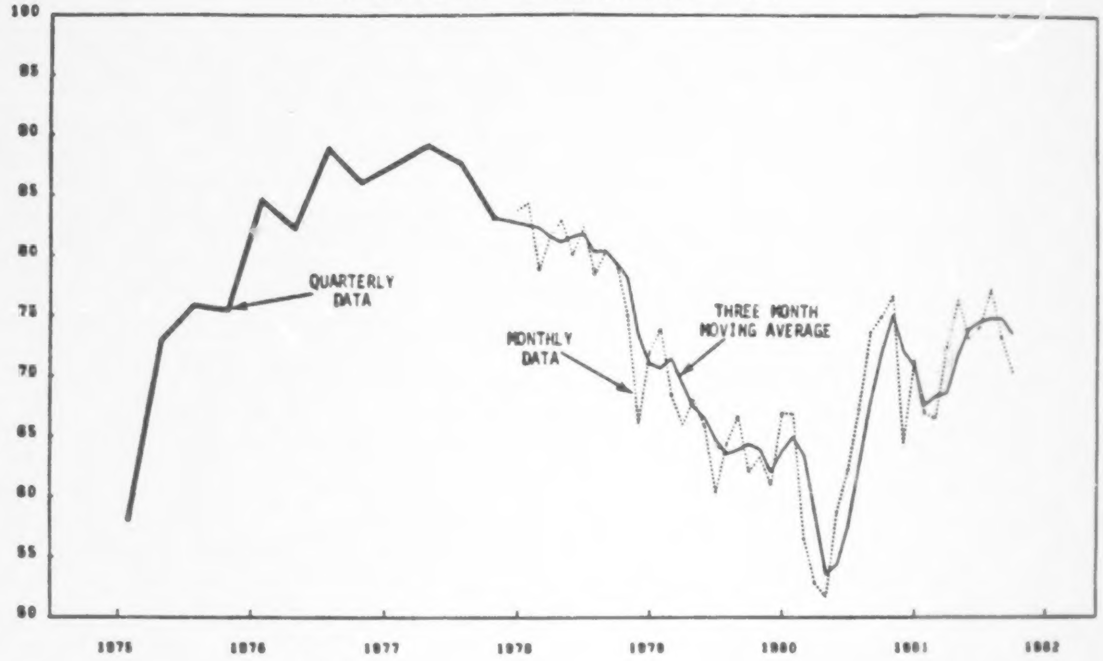


CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

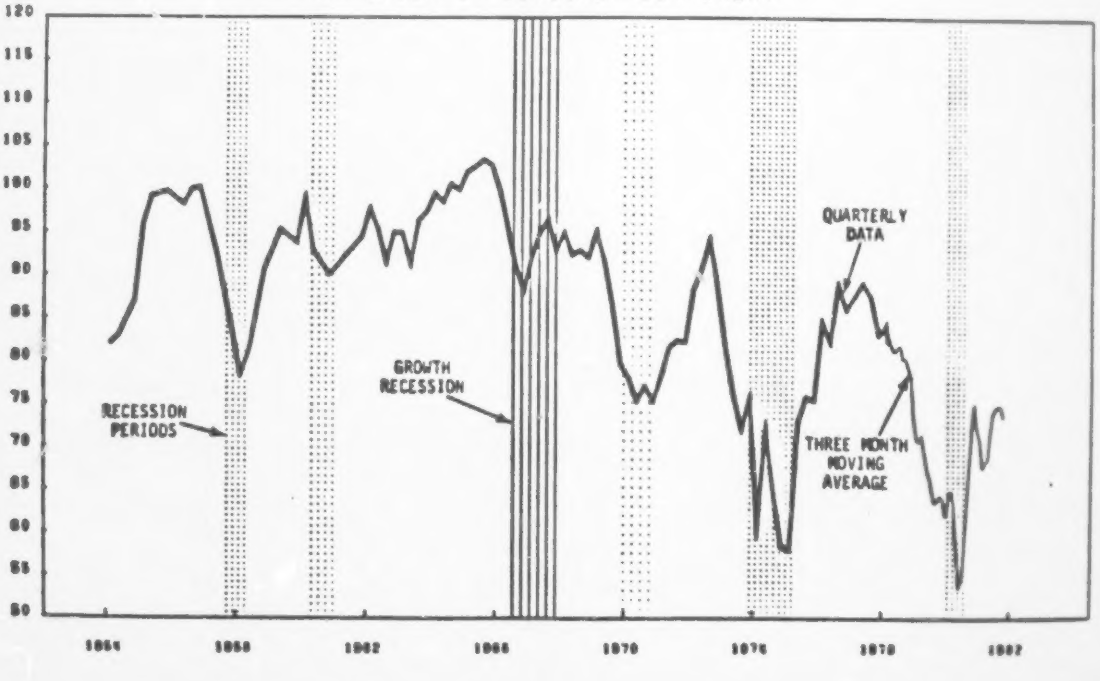


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

## DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

## TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 -

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

# SUMMARY

U7475-2

June 4, 1982

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

MAY 1982 MONTHLY REPORT

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## LOWER PRICES AFFECT PERSONAL FINANCES AND BUYING ATTITUDES

** The Index of Consumer Sentiment stood at 67.5 in the May 1982 survey, an insignificant improvement from the 65.5 recorded in April 1982. Two years ago, the Index reached the all-time record low level of 51.7 in May 1980. During the following year the Index rose sharply and reached 76.3 in May 1981, but has since then lost 8.8 Index points.

** Sentiment among families with incomes over $25,000 posted a small increase to 74.8 in May 1982, from 73.2 in April, but remained well below the 85.0 recorded one year earlier.

** Consumers expected further declines in the rate of inflation during the upcoming year, which in turn fostered more favorable real income expectations than at any time during the prior seven years. Offsetting these improvements in inflation, however, were less favorable income expectations, leaving overall personal financial evaluations largely unchanged from year earlier levels.

** Increases in unemployment continued to dominate consumer evaluations of business conditions in the May 1982 survey. Four-in-five thought business conditions have worsened during the past year, and more than four-in-ten recalled recently hearing news of spreading unemployment recently. Further increases in unemployment were expected by 47 percent of all families in the May 1982 survey, down somewhat from 50 percent in April, but above the 36 percent recorded in May 1981.

** Confidence in government economic policies improved by a small amount in the May 1982 survey from one month earlier, but nonetheless remained on balance unfavorable--a sharp contrast to the favorable balance of opinion recorded one year earlier.

** Postponement of purchases due to high interest rates fell to 31 percent in May from 33 percent in April 1982. Importantly, interest rate declines were widely expected by consumers in the May 1982 survey: in 1982 interest rate declines were expected more frequently than increases by a margin of 43 to 19 percent; in 1981, in contrast, the balance of consumers expected increases by a margin of 41 to 26 percent.

** Attitudes toward buying conditions for houses remained at record low levels in May 1982 due to high mortgage rates, although the appeal of low prices was more frequently mentioned than anytime since the mid-1960s. The proportion of households that reported favorable attitudes toward buying conditions for large household durables rose to 45 percent in May from 41 percent in April, but lower than the 50 percent recorded in 1981. Car buying attitudes in the May 1982 survey improved to the most favorable level in more than a year, although more consumers still rate conditions poor (46 percent) rather than good (44 percent). The major reasons for improvement are the widespread appeal of rebates and price discounts, and an easing of the adverse impact of high interest rates due to lower car financing plans.

Monitoring Economic Change Program
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## Personal Finances

Real income expectations were more favorable in the May 1982 survey than at any time during the prior seven years. The improvement in real income expectations was due to lower price expectations, not to higher income expectations. In May 1982, consumers expected the rate of inflation during the upcoming year to average 5.0%, down from 5.4% in April and 7.6% in May 1981. Half as many respondents expected double digit inflation in May 1982 (16 percent) as one year earlier (33 percent). In contrast, the proportion of families that expected income increases fell to 60 percent in May 1982 from 70 percent in May 1981. During the past year, the proportion of families that expected income increases of 10% or more fell from 36 to 28 percent, while the proportion that expected their income to remain unchanged or decline rose from 27 to 39 percent. These trends in price and income expectations have left overall judgments on personal financial progress largely unchanged from year earlier levels, although they remain significantly more favorable than the record lows recorded two years ago. Importantly, in the May 1982 survey consumers more frequently expected their financial situation to improve rather than worsen during the year ahead (30 versus 17 percent).

## Business Conditions

Eighty percent of all respondents in the May 1982 survey thought that business conditions had worsened during the past year, marking the sixth consecutive month at near record unfavorable levels. The frequency of news heard and recalled about unfavorable business developments rose to 86 percent in May 1982 from 45 percent one year earlier, largely due to a single development: spreading unemployment. One year ago 14 percent mentioned they had heard of recent increases in unemployment, and that rose to 45 percent in May 1982--the fourth consecutive month to record such widespread consumer awareness of spreading unemployment.

Consumers expect the problem of unemployment to persist, although some improvement was recorded in the May 1982 survey compared with one month earlier. Further increases in unemployment during the year ahead were expected by 47 percent in the May 1982 survey, down from 50 percent in April, but significantly above the 36 percent recorded one year earlier. Overall, eight-in-ten consumers in May 1982 expected unemployment to increase or to remain at its current high levels during the year ahead. Compared with inflation, consumers viewed unemployment as the more serious economic hardship facing the nation by at least a two-to-one margin in the January through May 1982 surveys.

Consumers more frequently expected future improvement in business conditions in the May 1982 survey (39 percent) than in April (32 percent), or one year earlier (36 percent). The proportion of respondents that expected business conditions to worsen further fell to 20 percent in May from 28 percent in April, but remained just above the 19 percent recorded in May 1981. Although confidence in government economic policy to reduce both inflation and unemployment improved somewhat in the May 1982 survey, the current level of confidence remained on balance unfavorable. The proportion of families that rated government policy as poor fell from 38 percent in April to 32 percent in May 1982, but still remains twice the level recorded in May 1981 (16 percent). One year ago more consumers rated government policy as good rather than poor (30 versus 16 percent), but by May 1982 the proportions were almost the reverse (20 versus 32 percent).

## Interest Rates

Postponement of purchases due to high interest rates was reported by 31 percent of all households in the May 1982 survey, down from 33 percent in the prior three monthly surveys (see Tables A and B). Importantly, consumers more frequently expected interest rates to decline in the May 1982 survey (43 percent) than one year earlier (26 percent), and much less frequently expected further interest rate increases (19 percent, down from 41 percent).

Market Conditions

Attitudes toward buying conditions for houses remained near record unfavorable levels in the May 1982 survey. Among all families, 73 percent rated buying conditions for houses as unfavorable, compared with just 19 percent that thought conditions were favorable. The major reason for these unfavorable views remains high interest rates, mentioned by 72 percent of all families in the May 1982 survey. In addition, current and expected trends in house prices have led to significant underlying changes in buying attitudes. Not since the mid-1960s have so many respondents mentioned price declines and the availability of good buys (16 percent in May 1982) and so few respondents mentioned the advantage of buying-in-advance of future price increases (4 percent).

Attitudes toward buying conditions for cars improved in the May 1982 survey to the most favorable level recorded in more than a year; nevertheless, car buying attitudes remained on balance unfavorable. Among all families, 44 percent favorably rated car buying conditions in May 1982, up from 40 percent in April. The proportion holding unfavorable views fell to 46 percent in May from 51 percent one month earlier. When asked to explain their views, a record proportion of consumers continued to mention the appeal of rebates and low prices for the fourth consecutive month--36 percent in May 1982. At the same time, the proportion that mentioned high car prices fell to 27 percent in May 1982 from 33 percent in May 1981. As a result, consumer reactions to car prices were more often favorable than unfavorable (36 versus 27 percent) in the May 1982 survey. Aversion to high interest rates still remains the most potent force underlying unfavorable car buying attitudes, although its adverse impact has eased somewhat during the past 3 months. From March to May 1982 the proportion of respondents that mentioned high interest rates fell from 30 to 26 percent, while the proportion that made references to the availability of lower interest rates on car financing rose from 3 to 11 percent, a net shift of 11 percentage points.

## Budget Deficits

Respondents in the May 1982 survey were asked how they thought the expected federal budget deficits would affect future business conditions. More respondents expected the economy to worsen rather than improve under the weight of larger budget deficits (31 versus 10 percent). However, the majority (52 percent) thought the expected federal budget deficits would not have a significant impact on upcoming business conditions (see Table C). These readings are nearly identical to the April 1982 results.

One of the most frequently suggested methods to lower budget deficits has been to raise personal income taxes by delaying the implementation of the scheduled tax cuts. When asked whether increasing personal income taxes to lower the deficit would help improve or worsen business conditions, respondents more frequently expected business conditions to worsen (44 percent) or remain unchanged (37 percent) rather than to improve (14 percent) if taxes were raised (Table C). Consequently, raising personal income taxes to reduce the deficit was viewed as more damaging to future business conditions than the expected deficit itself. Even among those respondents that expected the budget deficits to worsen future business conditions, very few thought that increases in personal income taxes would improve business conditions.

How will the expected budget deficit affect inflation and interest rates? The most typical response on the part of consumers was that the expected budget deficit would not make much difference to future inflation and interest rates. Among all families, the budget deficit was not expected to affect the future rate of inflation by 44 percent, and 41 percent did not expect interest rates to be affected (see Table D). Among consumers that thought budget deficits would influence the rate of inflation, most expected inflation to increase (39 percent) as a result than decrease (9 percent). Similarly, budget deficits were expected to result in higher interest rates (38 percent) more frequently than low interest rates (13 percent).

The May 1982 survey included 691 interviews conducted between April 27 and May 26, 1982.

## TABLE A

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | June 1980 | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 | May 1982 |
|---|---|---|---|---|---|---|---|
| Postponed Purchases:[a] | 15% | 30% | 37% | 33% | 33% | 33% | 31% |
| Vehicles | 5 | 11 | 15 | 12 | 10 | 12 | 12 |
| House, home repairs | 2 | 11 | 15 | 10 | 11 | 12 | 11 |
| Household durables | 7 | 8 | 8 | 10 | 10 | 8 | 7 |
| Other | 1 | 4 | 5 | 6 | 7 | 8 | 5 |
| Did not postpone purchase | 84 | 67 | 62 | 66 | 66 | 67 | 68 |
| Don't know, not ascertained | 1 | 3 | 1 | 1 | 1 | * | 1 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

---

[a] Items add to more than total, due to multiple mentions.

See Table B for question wording.

*Less than half of one percent.

## TABLE B

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | | | | | | | May 1982 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 | May 1982 | Vehicles | House, Real Estate | Household Durables |
| Postponed Purchases | | | | | | | | | |
| All households | 30% | 37% | 33% | 33% | 33% | 31% | 12% | 11% | 7% |
| Interest rate that would have been charged on postponed purchase | | | | | | | | | |
| Median | 17.3% | 17.6% | 17.5% | 17.8% | 17.5% | 17.5% | 17.2% | 16.7% | 18.0% |
| Highest interest willing to pay to make purchases | | | | | | | | | |
| Median | 11.8% | 12.0% | 12.0% | 12.0% | 12.1% | 11.7% | 11.9% | 10.9% | 11.4% |
| Difference between interest rate charged and willing to pay | | | | | | | | | |
| Median | 4.6% | 5.0% | 4.9% | 5.3% | 4.9% | 5.3% | 5.2% | 4.8% | 6.1% |

---

The questions asked were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October 1981 to June 1982: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest rate at which you would have purchased (ITEM)?"

## TABLE C

## EXPECTED IMPACT OF FEDERAL BUDGET DEFICIT ON BUSINESS CONDITIONS
(1982 surveys)

| Expected Impact on Business Conditions | From Expected Budget Deficit | | From Increase in Personal Taxes | |
|---|---|---|---|---|
| | April | May | April | May |
| Better | 7% | 10% | 14% | 14% |
| Worse | 33 | 31 | 44 | 44 |
| No difference | 53 | 52 | 36 | 37 |
| DK, NA | 7 | 7 | 6 | 5 |
| Total | 100% | 100% | 100% | 100% |
| Cases | 702 | 691 | 702 | 691 |

| | Impact of Budget Deficits on Business Conditions | | | |
|---|---|---|---|---|
| | Worse | | No difference | |
| | April | May | April | May |
| All Households | 33% | 31% | 53% | 52% |
| Higher taxes to reduce deficits would make business conditions ... | | | | |
| Better | 14 | 18 | 11 | 11 |
| Worse | 56 | 51 | 39 | 41 |
| No difference | 29 | 29 | 45 | 47 |
| DK, NA | 1 | 2 | 5 | 1 |
| Total | 100% | 100% | 100% | 100% |

---

The questions were: "Do you think that the federal budget deficit expected during the next year will make business conditions in the country as a whole better or worse than at present, or won't it make much difference?" and
"Do you think that raising personal income taxes to reduce the federal deficit would make business conditions in the country as a whole better or worse, or wouldn't it make much difference?"

## TABLE D

## EXPECTED IMPACT OF FEDERAL BUDGET DEFICIT ON INFLATION AND INTEREST RATES

(May 1982)

| Impact of Budget Deficit | Inflation Rate | Interest Rates |
|---|---|---|
| Higher | 39% | 38% |
| Lower | 9 | 13 |
| No difference | 44 | 41 |
| DK; NA | 8 | 8 |
| | 100% | 100% |

---

The questions were: "Do you think the budget deficit expected during the next year will make the rate of inflation higher or lower, or won't it make much difference?" "Do you think the budget deficit expected during the next year will make the level of interest rates higher or lower, or wouldn't it make much difference?"

## APPENDIX

## REVISED ESTIMATES OF PRICE EXPECTATIONS

During the past several years price expectations have declined considerably, and by early 1982 one-in-three respondents expected prices to remain unchanged or decline during the year ahead. Although the questionnaire wording refers to changes in the level of prices, some respondents could misinterpret the question as referring to the rate of inflation. In this event, a "same" response would not indicate a zero rate of increase, but the perceived past rate of inflation. The net effect would be to bias downward the estimated overall mean rate of expected inflation. Because of the greatly increased frequency of "same" responses in recent months, the March through May 1982 surveys specifically probed respondents that initially gave "same" responses as to whether they meant the rate or the level of prices would remain the same. Of the 37 percent that initially reported "same" responses in May, 27 percent replied that they meant prices would remain at the same level, but 10 percent replied that they meant prices would increase at the same rate (see Table E). Consequently, the estimated proportion of families in May that expected price increases rose from 51 to 61 percent following the use of this probe.

When respondents were probed for the percentage rate that they meant by the "same rate," the extent of bias in the estimated mean price increases due to the misinterpretation of "same" responses was +0.7 percentage points in the May 1982 survey (4.3% mean increase when initial "same' responses were coded as a zero rate of inflation versus 5.0% after the adjustment). The extent of the potential bias is dependent on the overall frequency of "same" responses. For example, in March 1979 only 3 percent reported that they expected prices to remain "the same," while the May 1982 survey recorded 37 percent "same" responses, a level exceeded in only one other survey during the past 20 years. Consequently, the bias in estimated means is unlikely to exceed 1.0 percentage points.

Preliminary adjustments to the surveys conducted prior to March 1982 were established as follows: the ratio of "same rate" to "same level" responses observed from March through May 1982 was used to estimate the proportion of "same rate" responses in earlier surveys. The estimated proportion of "same rate" responses were then recoded from a zero rate of inflation to the mean percentage response among those that expected price increases. As shown in Table G the new estimated mean was only 0.1 percentage points higher in the March 1979 survey, but has averaged between 0.6 and 0.8 percentage points during the past year.

## TABLE E

## NEW MEASURES OF PRICE EXPECTATIONS

| | Expected Price Changes During the Next Year | | |
|---|---|---|---|
| | March 1982 | April 1982 | May 1982 |
| Increase | 57% | 55% | 51% |
| Same rate | 9 | 9 | 10 |
| Same level | 22 | 22 | 27 |
| Go down | 10 | 11 | 9 |
| DK; NA | 2 | 3 | 3 |
| Total | 100% | 100% | 100% |

---

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up or have they gone down?" (IF SAME) "Do you mean that prices have gone up at the same rate as 12 months ago, or that price in general have not gone up during the last 12 months?" (IF UP/DOWN OR SAME RATE) "By about what percent do you think prices have gone (up/down) on the average, during the last 12 months?"

## TABLE F

## EXPECTED PRICE CHANGES DURING THE NEXT YEAR

| Survey Dates | | Old Series | New Preliminary Estimates | Difference |
|---|---|---|---|---|
| March | 1979 | 9.7 | 9.8 | 0.1 |
| March | 1980 | 12.0 | 12.4 | 0.4 |
| March | 1981 | 7.0 | 7.5 | 0.5 |
| April | 1981 | 8.1 | 8.8 | 0.7 |
| May | 1981 | 7.6 | 8.2 | 0.6 |
| June | 1981 | 6.6 | 7.3 | 0.6 |
| July | 1981 | 6.7 | 7.4 | 0.7 |
| August | 1981 | 6.5 | 7.1 | 0.6 |
| September | 1981 | 7.5 | 8.3 | 0.8 |
| October | 1981 | 7.2 | 7.9 | 0.7 |
| November | 1981 | 7.7 | 8.4 | 0.7 |
| December | 1981 | 5.6 | 6.3 | 0.7 |
| January | 1982 | 5.4 | 6.2 | 0.8 |
| February | 1982 | 5.3 | 6.1 | 0.8 |
| March | 1982 | 5.3 | 6.0 | 0.7 |
| April | 1982 | 4.7 | 5.4 | 0.7 |
| May | 1982 | 4.3 | 5.0 | 0.7 |

JUL 8 1982

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# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

JUNE 1982

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

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# TABLES AND CHARTS

JUNE 1982

The June 1982 survey is the 165th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

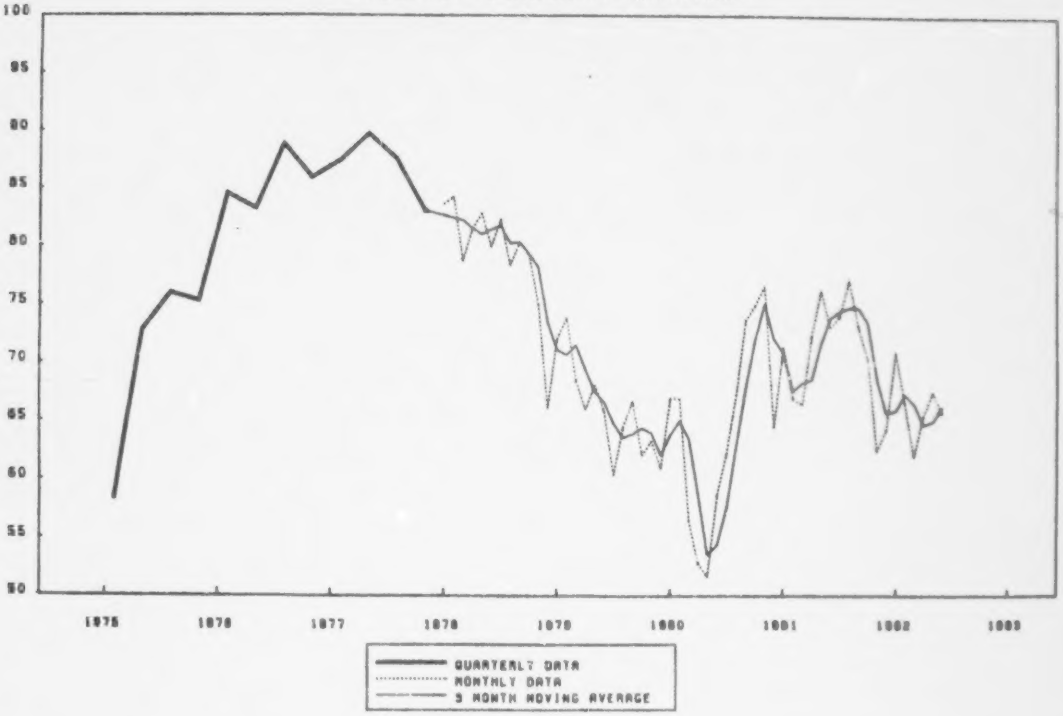

CHART 1 - HISTORICAL SERIES
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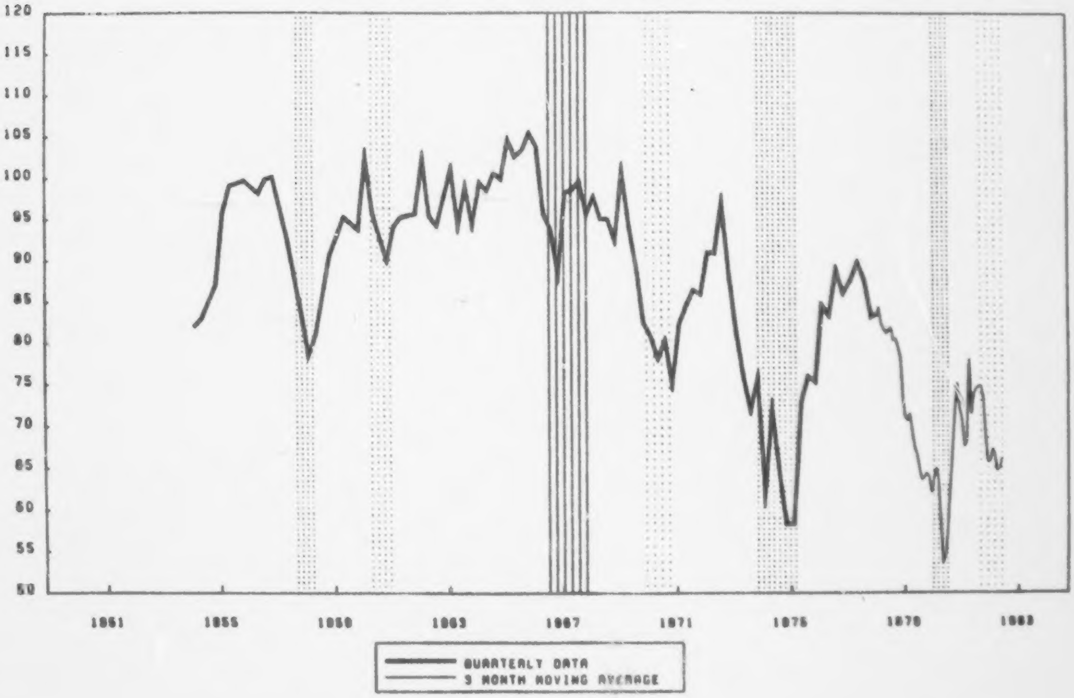


## TABLE 1

## THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|---|
| June | 1979 | 65.8 | 71.8 | 72.9 |
| July | 1979 | 60.4 | 67.2 | 68.0 |
| August | 1979 | 64.5 | 70.0 | 71.3 |
| September | 1979 | 66.7 | 71.6 | 74.4 |
| October | 1979 | 62.1 | 65.6 | 65.5 |
| November | 1979 | 63.3 | 68.3 | 69.9 |
| December | 1979 | 61.0 | 66.2 | 73.2 |
| January | 1980 | 67.0 | 70.8 | 70.9 |
| February | 1980 | 66.9 | 70.8 | 73.5 |
| March | 1980 | 56.5 | 62.3 | 64.5 |
| April | 1980 | 52.7 | 54.2 | 57.2 |
| May | 1980 | 51.7 | 55.2 | 53.3 |
| June | 1980 | 58.7 | 61.6 | 63.7 |
| July | 1980 | 62.3 | 67.6 | 67.3 |
| August | 1980 | 67.3 | 70.9 | 74.2 |
| September | 1980 | 73.7 | 78.1 | 78.5 |
| October | 1980 | 75.0 | 76.3 | 78.7 |
| November | 1980 | 76.7 | 82.7 | 87.5 |
| December | 1980 | 64.5 | 66.9 | 68.6 |
| January | 1981 | 71.4 | 74.8 | 77.1 |
| February | 1981 | 66.9 | 74.2 | 77.5 |
| March | 1981 | 66.5 | 72.1 | 73.7 |
| April | 1981 | 72.4 | 77.1 | 78.0 |
| May | 1981 | 76.3 | 80.8 | 85.0 |
| June | 1981 | 73.1 | 81.2 | 82.9 |
| July | 1981 | 74.1 | 80.8 | 82.1 |
| August | 1981 | 77.2 | 82.7 | 85.0 |
| September | 1981 | 73.1 | 75.2 | 73.3 |
| October | 1981 | 70.3 | 74.5 | 77.9 |
| November | 1981 | 62.5 | 67.2 | 66.3 |
| December | 1981 | 64.3 | 71.0 | 71.1 |
| January | 1982 | 71.0 | 77.9 | 77.8 |
| February | 1982 | 66.5 | 71.5 | 72.8 |
| March | 1982 | 62.0 | 67.0 | 67.9 |
| April | 1982 | 65.5 | 71.5 | 73.2 |
| May | 1982 | 67.5 | 72.7 | 74.8 |
| June | 1982 | 65.7 | 71.4 | 72.9 |

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

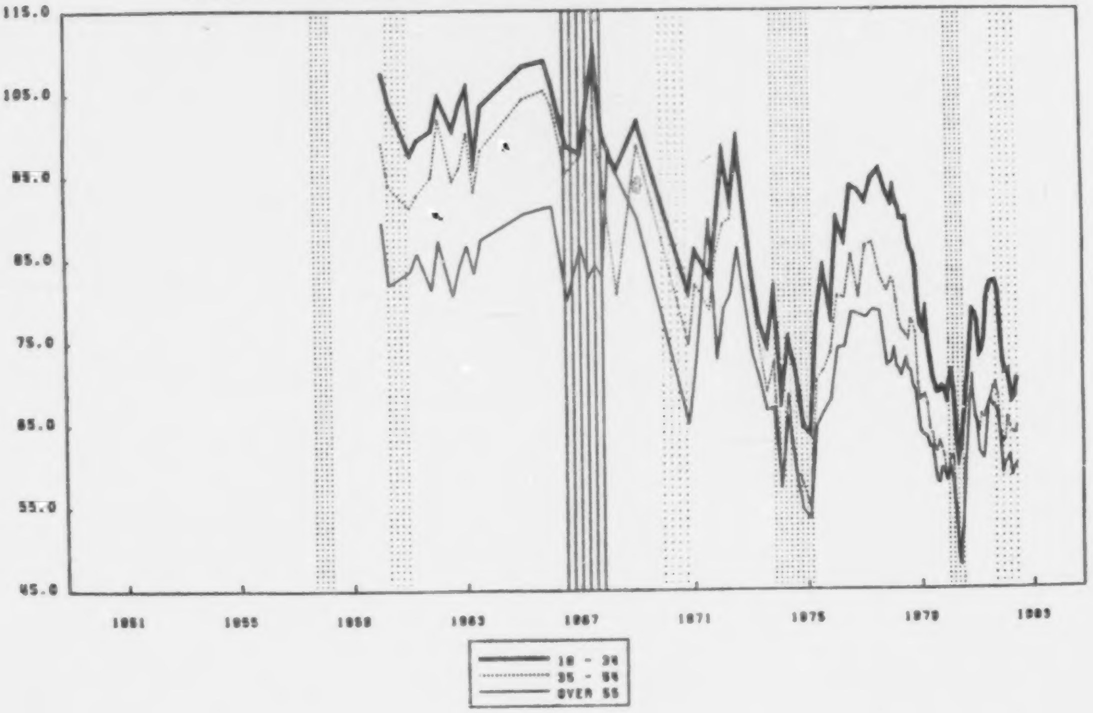
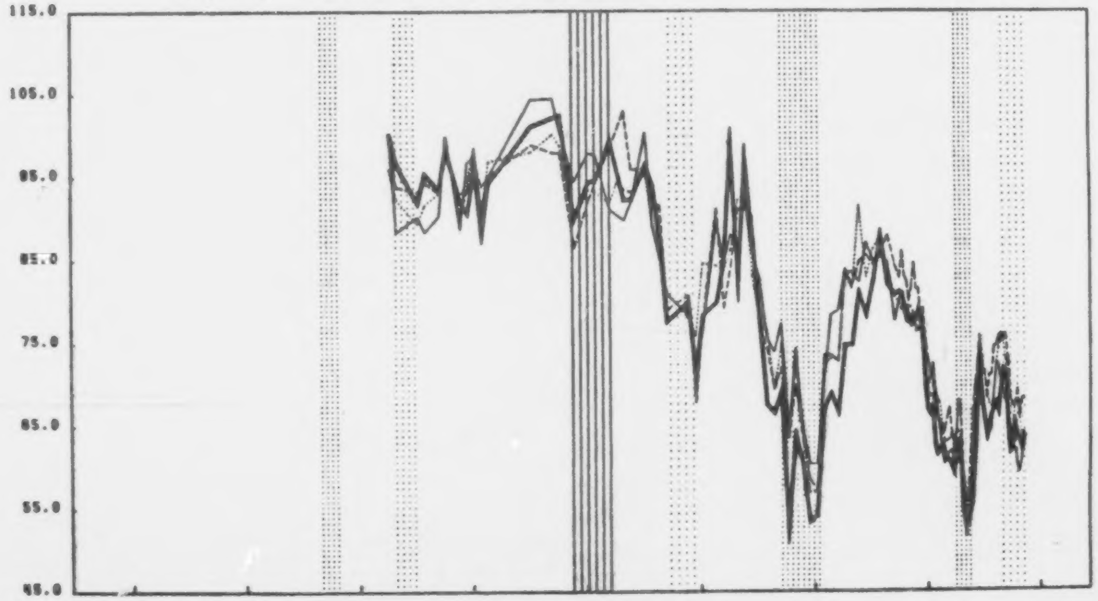


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS



## TABLE 2

## INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| DATE OF SURVEY | | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|---|
| | | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| June | 1979 | 66.8 | 63.3 | 66.8 | 66.3 | 71.2 | 62.9 | 63.9 |
| July | 1979 | 60.4 | 58.0 | 63.3 | 59.7 | 67.7 | 60.9 | 54.1 |
| August | 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September | 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October | 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November | 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December | 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January | 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February | 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March | 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April | 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May | 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June | 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July | 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August | 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September | 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October | 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November | 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December | 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January | 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February | 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March | 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April | 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May | 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June | 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July | 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August | 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September | 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October | 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November | 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December | 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |
| January | 1982 | 68.8 | 67.3 | 72.0 | 76.2 | 76.6 | 67.4 | 68.5 |
| February | 1982 | 65.9 | 60.6 | 71.8 | 68.8 | 71.5 | 68.3 | 59.0 |
| March | 1982 | 60.5 | 55.8 | 64.7 | 68.2 | 65.5 | 61.4 | 58.8 |
| April | 1982 | 67.2 | 64.6 | 65.0 | 65.8 | 70.6 | 65.5 | 60.4 |
| May | 1982 | 62.4 | 66.5 | 66.6 | 75.7 | 72.7 | 67.6 | 62.0 |
| June | 1982 | 65.4 | 65.0 | 64.9 | 68.6 | 72.4 | 64.4 | 60.3 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

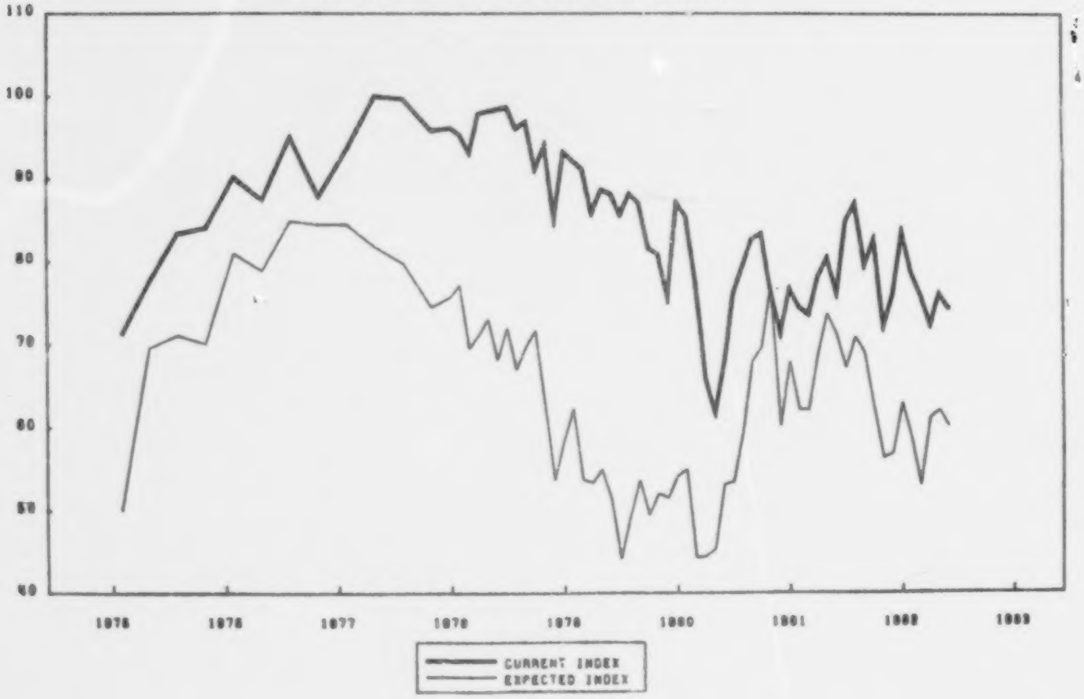
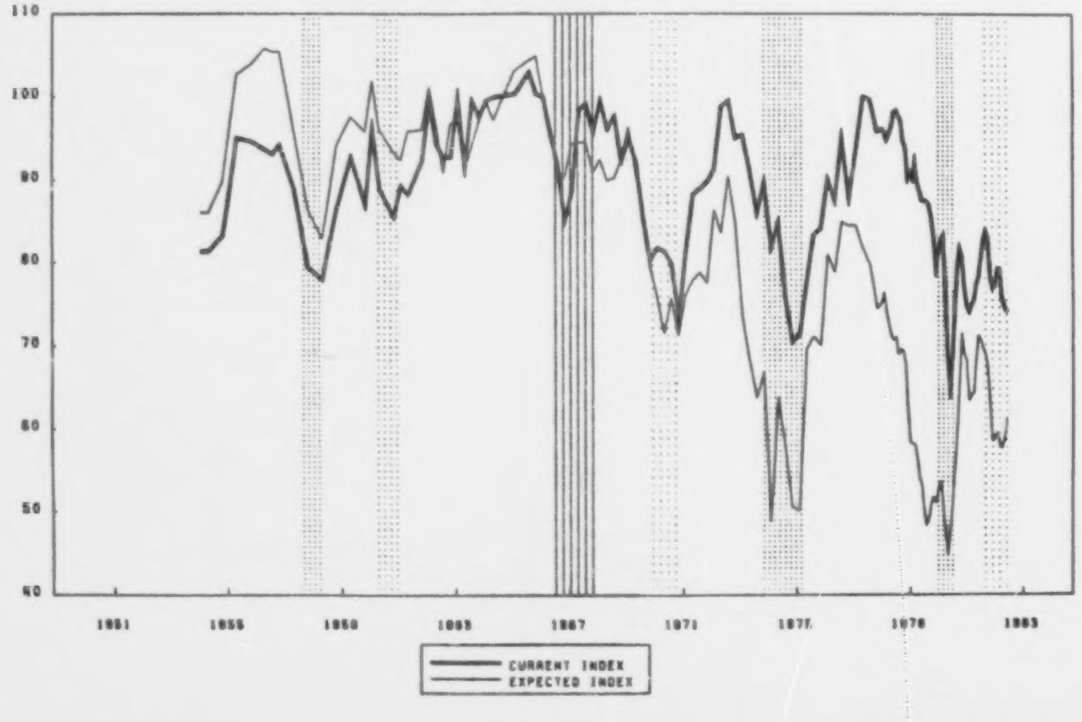


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



## TABLE 3

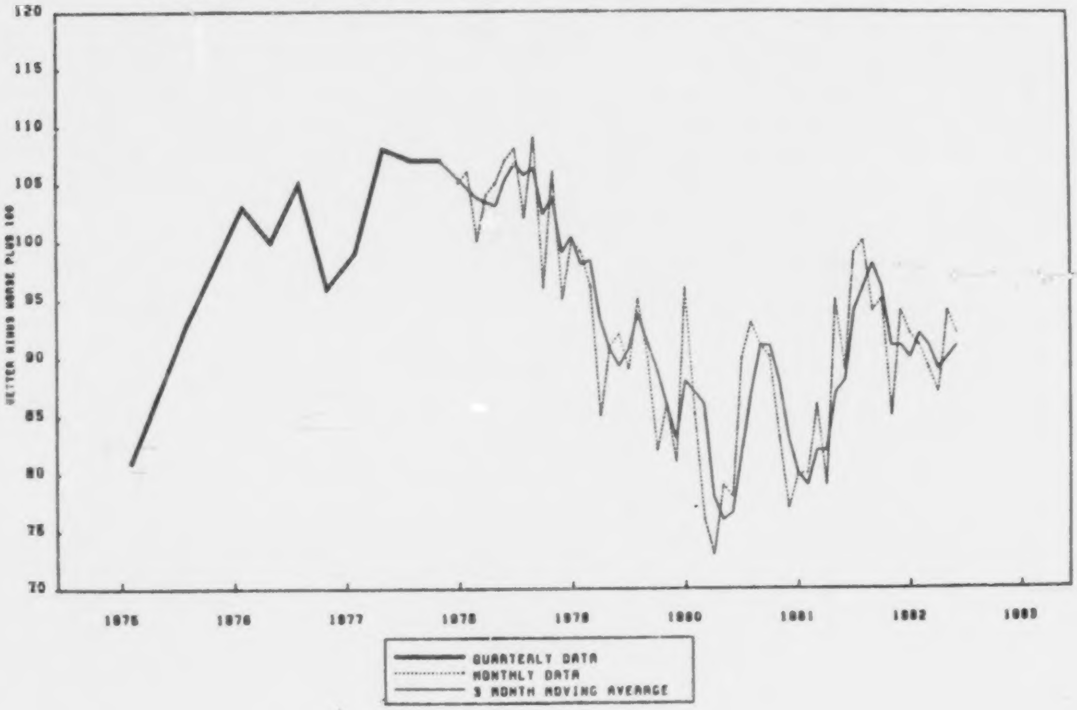
## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | Buying conds. | Current Index | Expected Index |
| | Current | Expected | 12 months | 5 years | | | |
| DATE OF SURVEY | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| June 1979 | 92 | 91 | 54 | 55 | 134 | 88.2 | 51.4 |
| July 1979 | 90 | 92 | 39 | 40 | 130 | 85.7 | 44.2 |
| August 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |
| January 1982 | 92 | 115 | 66 | 70 | 124 | 83.5 | 62.9 |
| February 1982 | 91 | 112 | 56 | 65 | 111 | 78.6 | 58.7 |
| March 1982 | 89 | 106 | 44 | 60 | 106 | 75.9 | 53.1 |
| April 1982 | 87 | 111 | 62 | 70 | 99 | 72.3 | 61.1 |
| May 1982 | 94 | 113 | 62 | 72 | 102 | 76.1 | 62.0 |
| June 1982 | 92 | 116 | 58 | 65 | 99 | 74.3 | 60.1 |

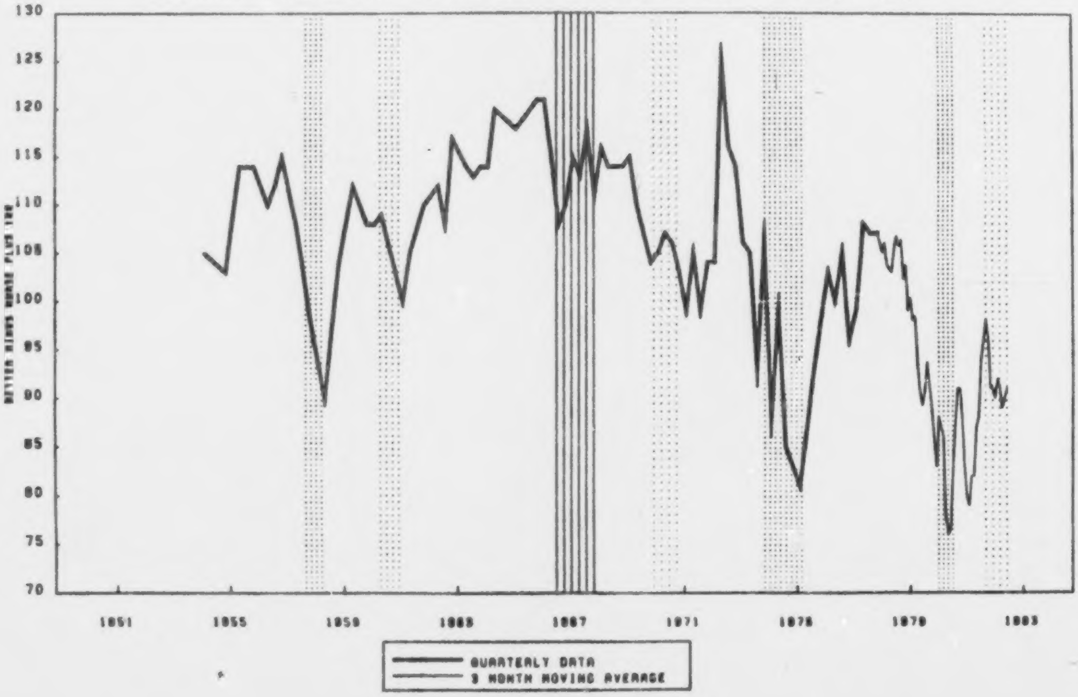
(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

## CHART 4 - RECENT CHANGES
## CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## CHART 4 - HISTORICAL SERIES
## CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 29% | 34% | 33% | 32% | 31% | 29% | 32% | 32% | 30% | 31% | 27% | 31% | 30% |
| SAME | 31 | 30 | 33 | 29 | 32 | 27 | 29 | 28 | 30 | 27 | 33 | 32 | 32 |
| WORSE OFF | 40 | 35 | 33 | 38 | 36 | 44 | 38 | 40 | 39 | 42 | 40 | 37 | 38 |
| DK,NA | * | 1 | 1 | 1 | 1 | * | 1 | * | 1 | * | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

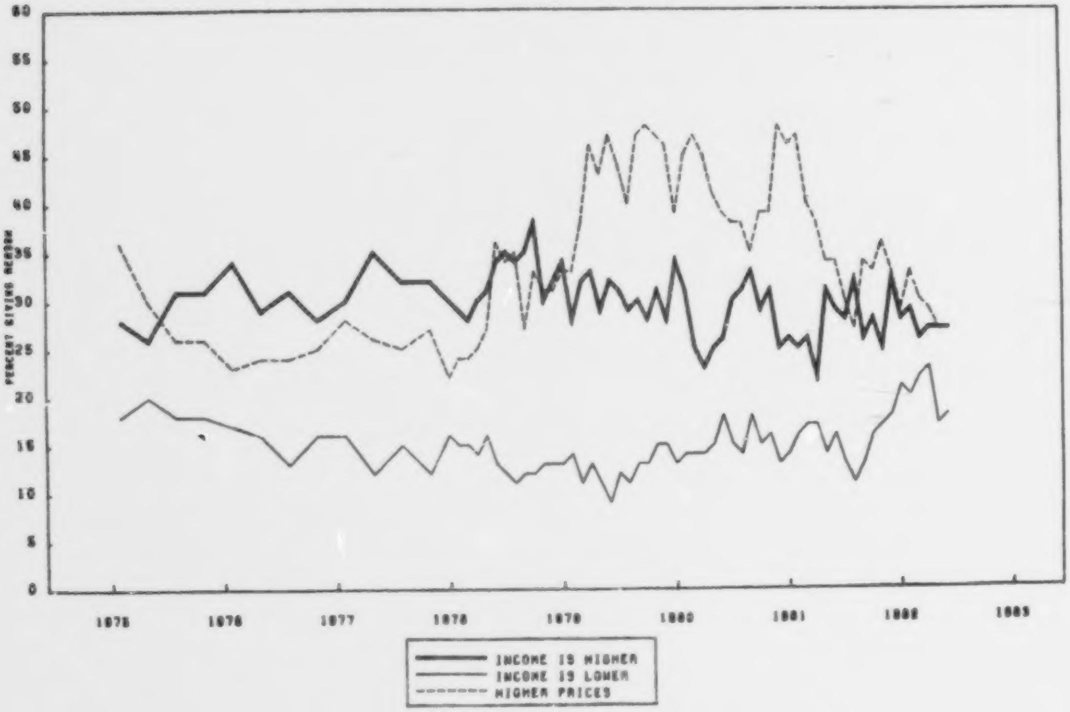
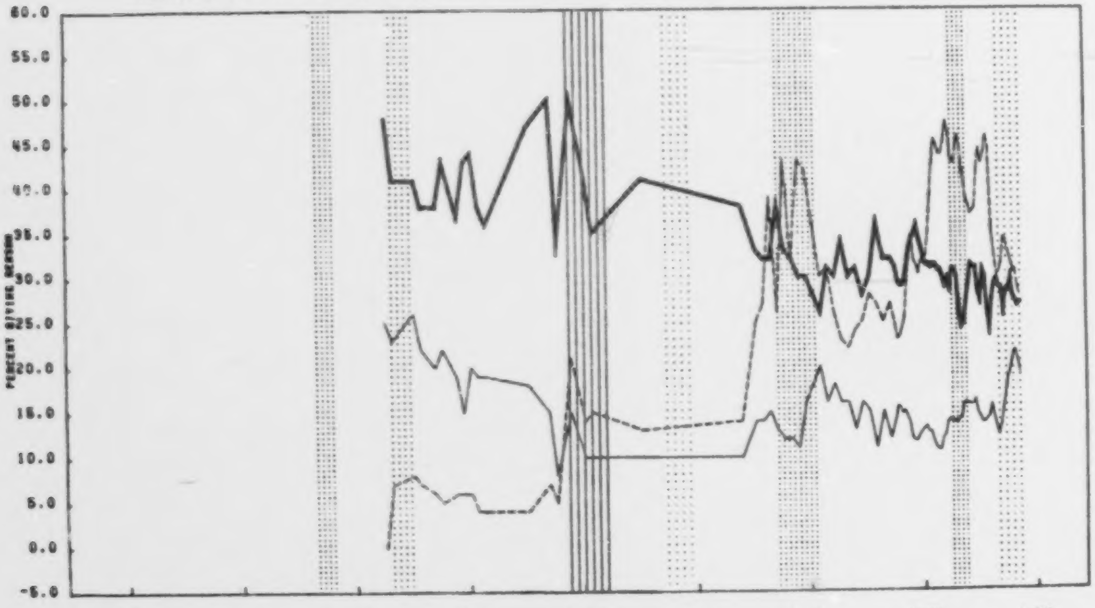


CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 29% | 28% | 32% | 26% | 28% | 25% | 32% | 28% | 29% | 26% | 27% | 27% | 27% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 16 | 13 | 11 | 13 | 16 | 17 | 18 | 21 | 20 | 22 | 23 | 17 | 18 |
| Higher prices | 34 | 30 | 27 | 34 | 33 | 36 | 33 | 29 | 33 | 30 | 29 | 27 | 27 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

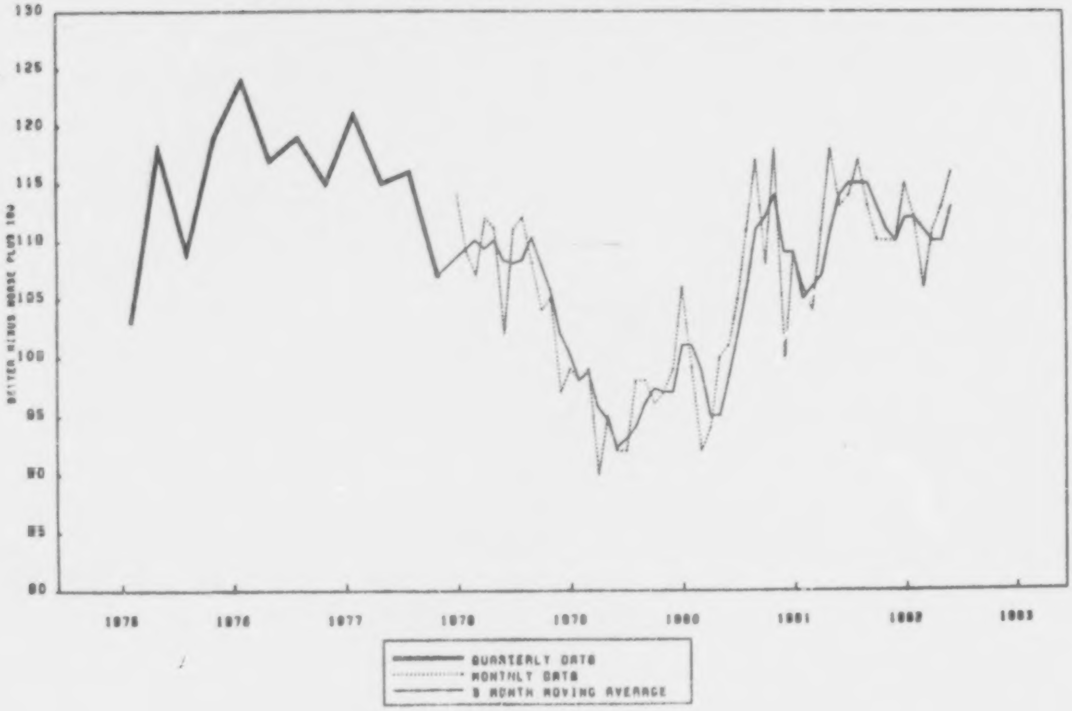
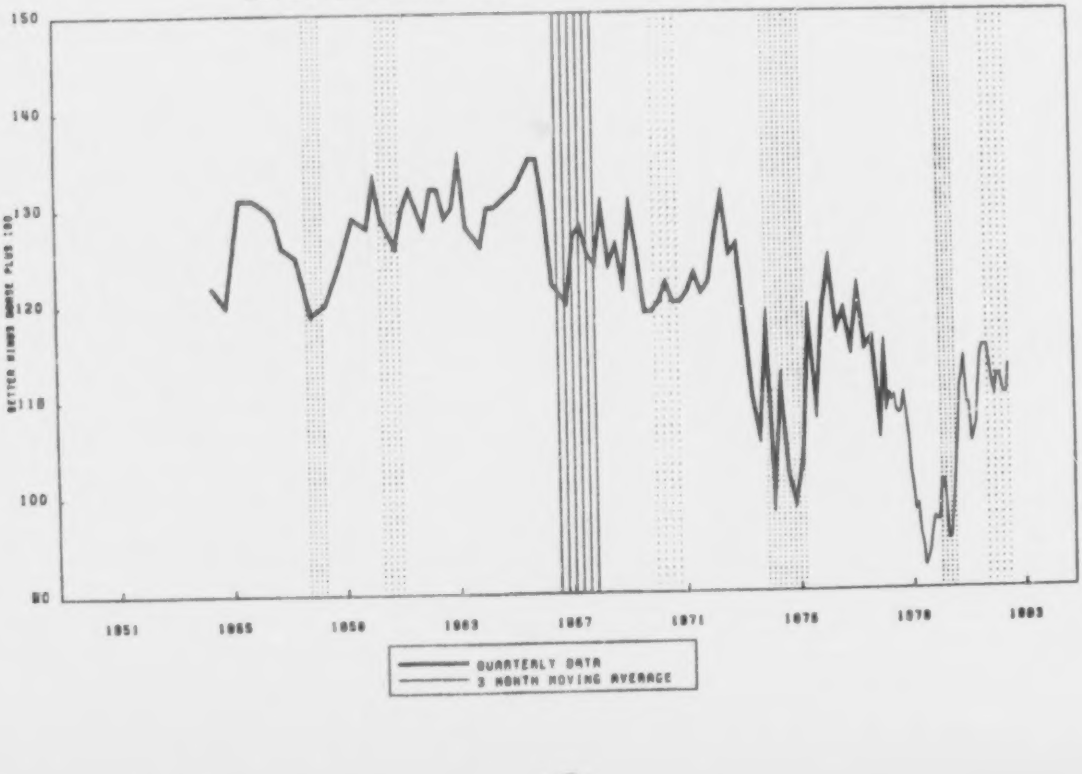


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

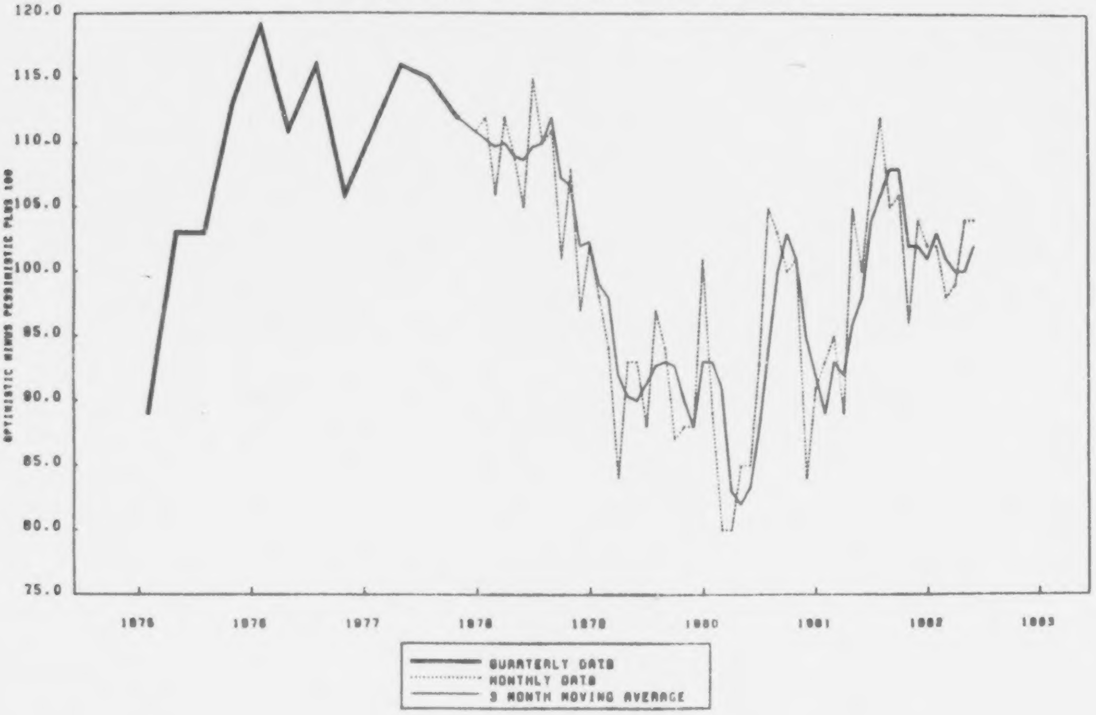


## TABLE 6

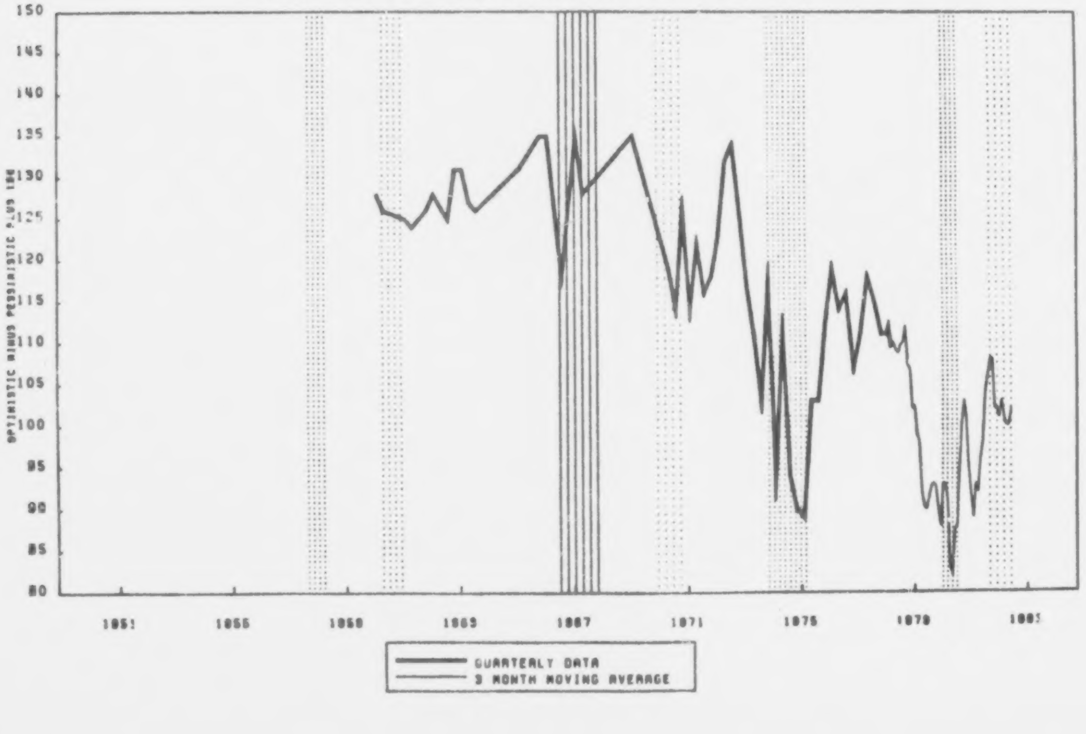
## EXPECTED CHANGE IN FINANCIAL SITUATION

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 32% | 29% | 34% | 31% | 29% | 30% | 30% | 33% | 30% | 27% | 31% | 30% | 34% |
| SAME | 44 | 52 | 46 | 45 | 49 | 46 | 48 | 46 | 47 | 48 | 45 | 49 | 45 |
| WORSE OFF | 19 | 15 | 17 | 18 | 19 | 20 | 20 | 18 | 18 | 21 | 20 | 17 | 18 |
| DK,NA | 5 | 4 | 3 | 6 | 3 | 4 | 2 | 3 | 5 | 4 | 4 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"



## CHART 7 - RECENT CHANGES
## TREND IN PERSONAL FINANCIAL SITUATION



## CHART 7 - HISTORICAL SERIES
## TREND IN PERSONAL FINANCIAL SITUATION

## TABLE 7

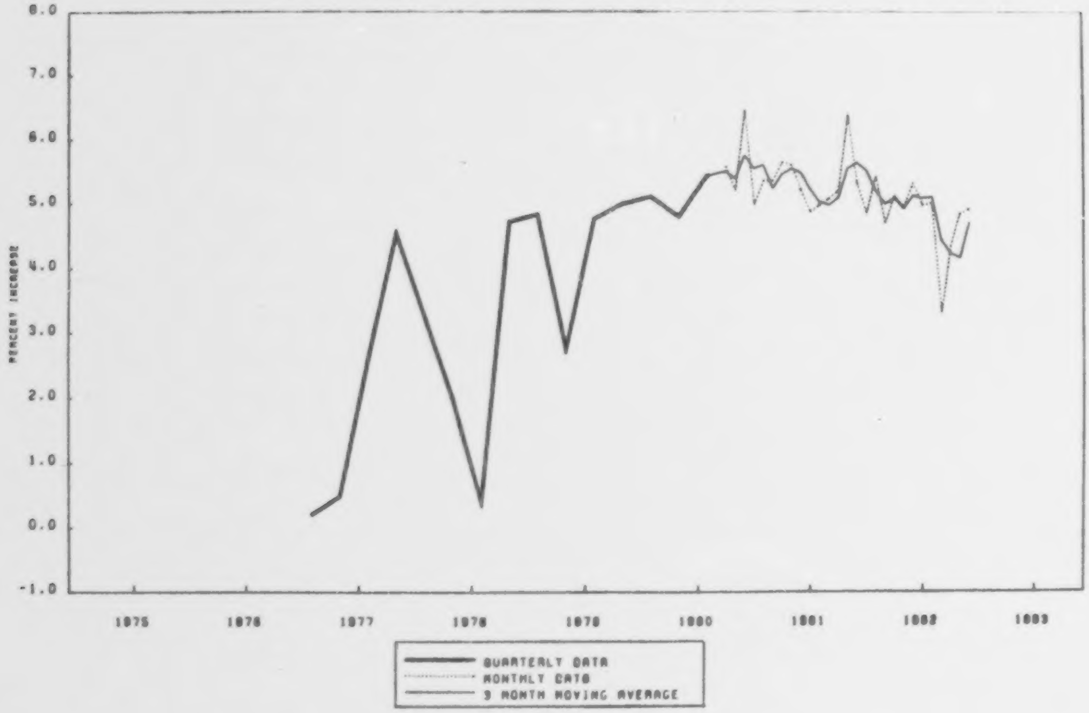
## TREND IN PERSONAL FINANCIAL SITUATION

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 13% | 15% | 14% | 16% | 13% | 13% | 13% | 15% | 15% | 11% | 12% | 14% | 14% |
| Intermittent increase (b) | 22 | 22 | 25 | 19 | 21 | 19 | 25 | 21 | 19 | 22 | 20 | 23 | 22 |
| Remain unchanged (c) | 14 | 19 | 18 | 17 | 21 | 14 | 14 | 15 | 18 | 14 | 17 | 17 | 16 |
| Intermittent decline (d) | 24 | 21 | 18 | 19 | 15 | 23 | 22 | 23 | 20 | 22 | 21 | 22 | 23 |
| Continuous decline (e) | 11 | 9 | 9 | 11 | 13 | 13 | 12 | 11 | 12 | 13 | 12 | 11 | 9 |
| Mixed change (f) | 11 | 9 | 12 | 12 | 14 | 14 | 11 | 12 | 11 | 14 | 14 | 9 | 13 |
| DK,NA | 5 | 5 | 4 | 6 | 3 | 4 | 3 | 3 | 5 | 4 | 4 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

## CHART 8 - RECENT CHANGES
## MEDIAN EXPECTED CHANGE IN FAMILY INCOME



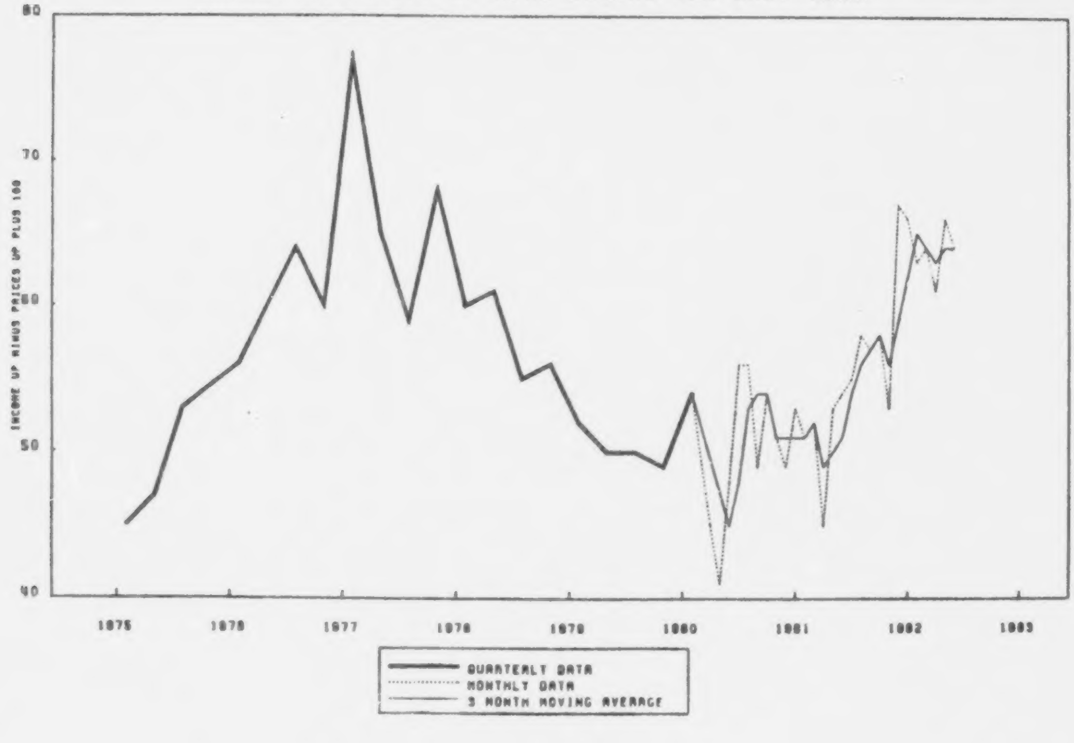
## TABLE 8

## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 6% | 7% | 5% | 6% | 6% | 5% | 5% | 7% | 5% | 5% | 7% | 5% | 6% |
| 5% | 10 | 7 | 8 | 9 | 10 | 9 | 9 | 10 | 9 | 8 | 10 | 9 | 11 |
| 6-9% | 10 | 10 | 9 | 10 | 13 | 8 | 10 | 11 | 12 | 9 | 8 | 11 | 13 |
| 10-24% | 25 | 21 | 27 | 23 | 21 | 23 | 24 | 22 | 22 | 19 | 19 | 20 | 20 |
| 25% or more | 7 | 10 | 6 | 6 | 6 | 8 | 8 | 7 | 6 | 7 | 7 | 8 | 7 |
| DK how much up | 7 | 5 | 6 | 6 | 6 | 4 | 6 | 4 | 6 | 6 | 6 | 7 | 4 |
| EXPECT SAME | 21 | 24 | 26 | 27 | 24 | 25 | 21 | 23 | 25 | 25 | 24 | 24 | 21 |
| EXPECT DOWN | 11 | 13 | 9 | 12 | 12 | 15 | 15 | 14 | 13 | 18 | 18 | 15 | 17 |
| DK,NA | 3 | 3 | 4 | 1 | 2 | 3 | 2 | 2 | 2 | 3 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR



## TABLE 9

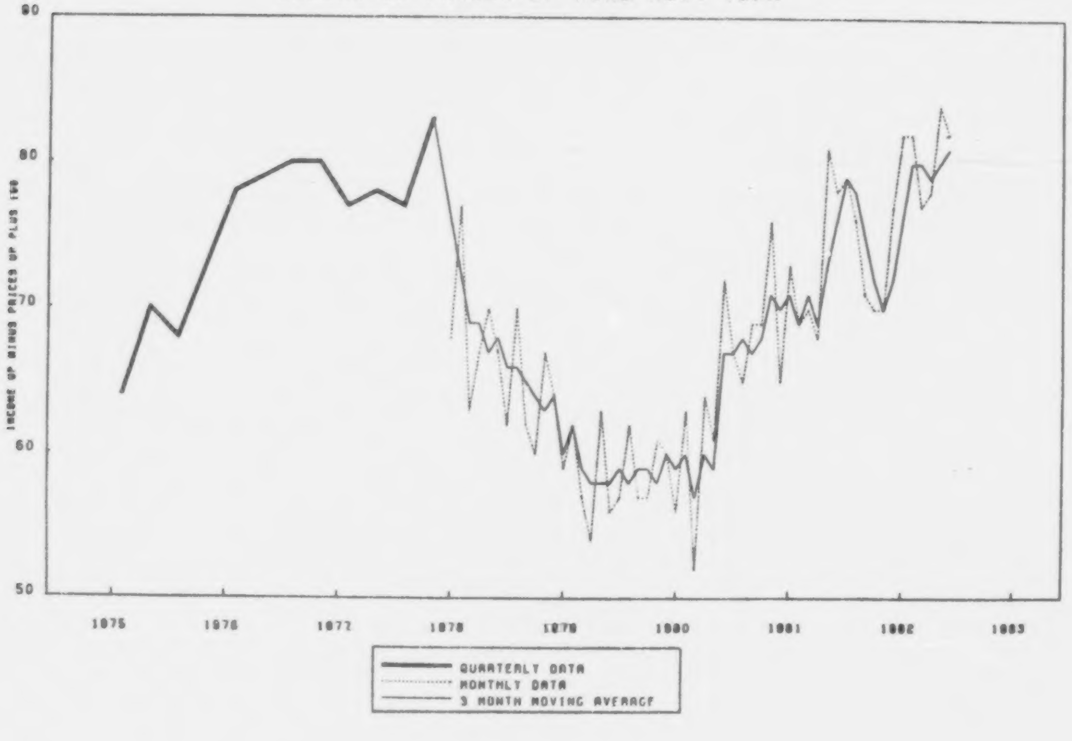
## PAST CHANGE IN REAL FAMILY INCOME

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 13% | 13% | 14% | 13% | 13% | 12% | 17% | 17% | 16% | 16% | 14% | 18% | 16% |
| INCOME UP SAME | 26 | 25 | 29 | 31 | 30 | 27 | 32 | 30 | 30 | 31 | 32 | 29 | 31 |
| PRICES UP MORE | 59 | 58 | 56 | 56 | 55 | 59 | 50 | 51 | 53 | 52 | 53 | 52 | 52 |
| DK,NA | 2 | 4 | 1 | * | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



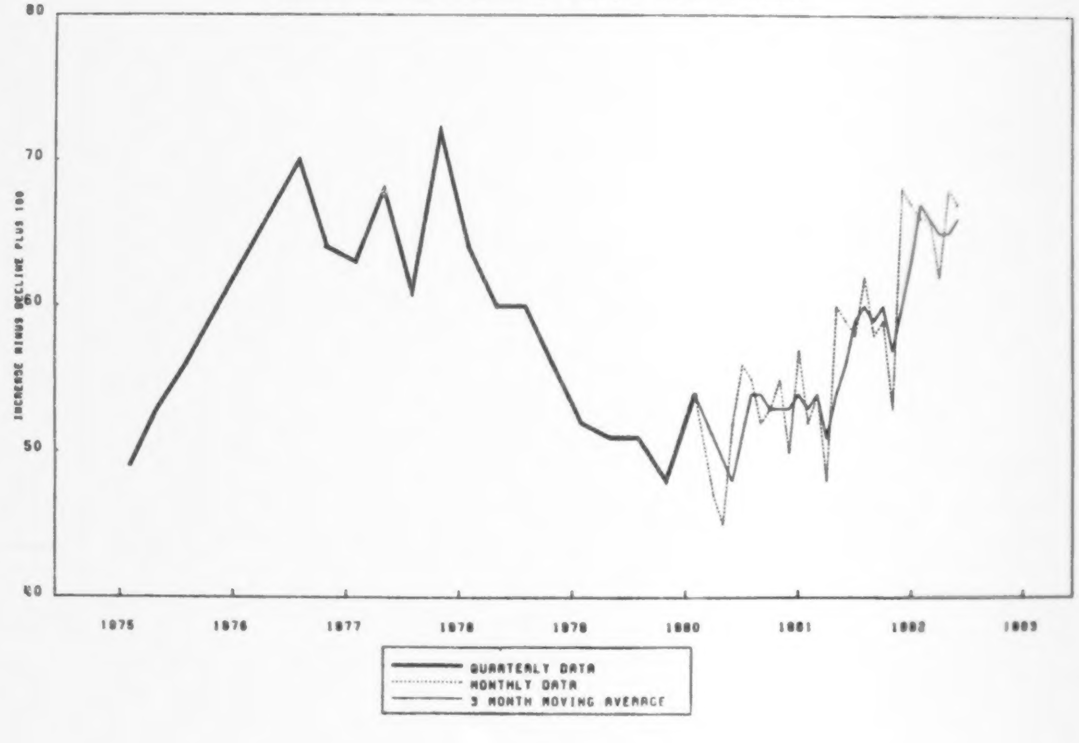
## TABLE 10

## EXPECTED CHANGE IN REAL FAMILY INCOME

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 16% | 17% | 16% | 13% | 14% | 13% | 17% | 17% | 20% | 16% | 17% | 19% | 18% |
| INCOME UP SAME | 43 | 41 | 40 | 42 | 40 | 41 | 41 | 45 | 40 | 41 | 42 | 43 | 43 |
| PRICES UP MORE | 38 | 38 | 40 | 42 | 44 | 43 | 40 | 35 | 38 | 39 | 39 | 35 | 36 |
| DK,NA | 3 | 4 | 4 | 3 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

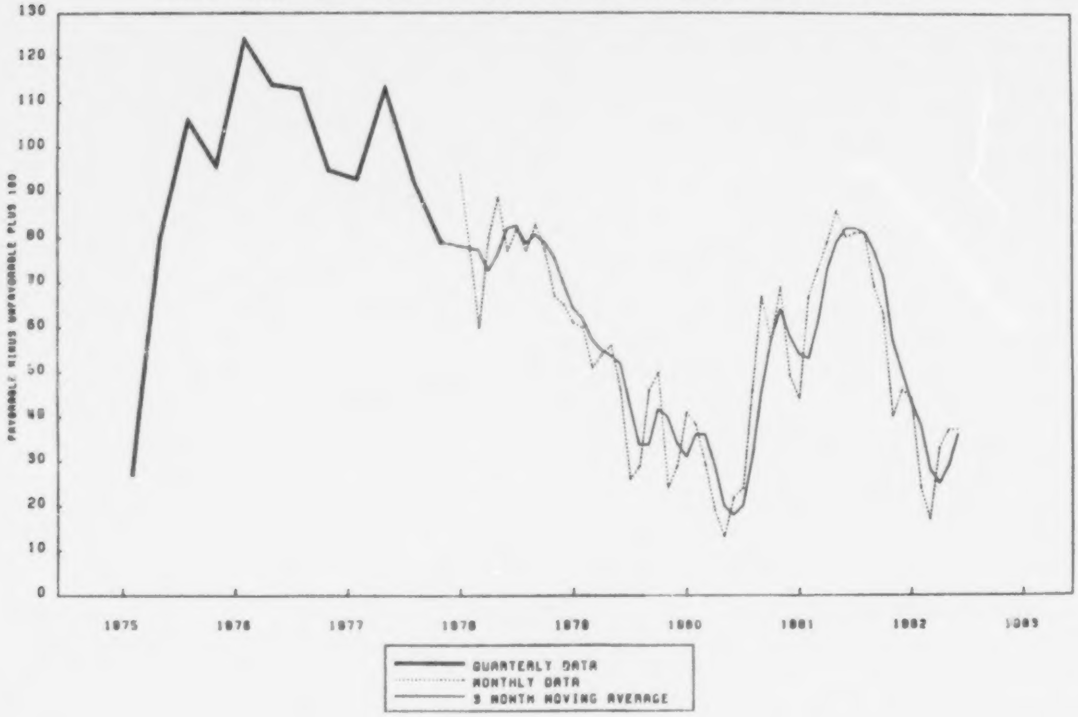
## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 6% | 8% | 7% | 5% | 5% | 5% | 8% | 9% | 9% | 7% | 8% | 10% | 8% |
| Intermittent increase (b) | 10 | 7 | 8 | 11 | 10 | 8 | 12 | 11 | 9 | 10 | 9 | 8 | 11 |
| Remain unchanged (c) | 17 | 16 | 20 | 19 | 18 | 17 | 19 | 19 | 20 | 20 | 19 | 20 | 19 |
| Intermittent decline (d) | 25 | 25 | 21 | 24 | 21 | 26 | 22 | 25 | 22 | 21 | 25 | 24 | 24 |
| Continuous decline ,e) | 32 | 32 | 32 | 34 | 35 | 34 | 30 | 28 | 30 | 30 | 30 | 26 | 28 |
| Mixed change (f) | 6 | 7 | 8 | 4 | 8 | 6 | 6 | 5 | 8 | 8 | 6 | 9 | 7 |
| DK,NA | 4 | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 2 | 4 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

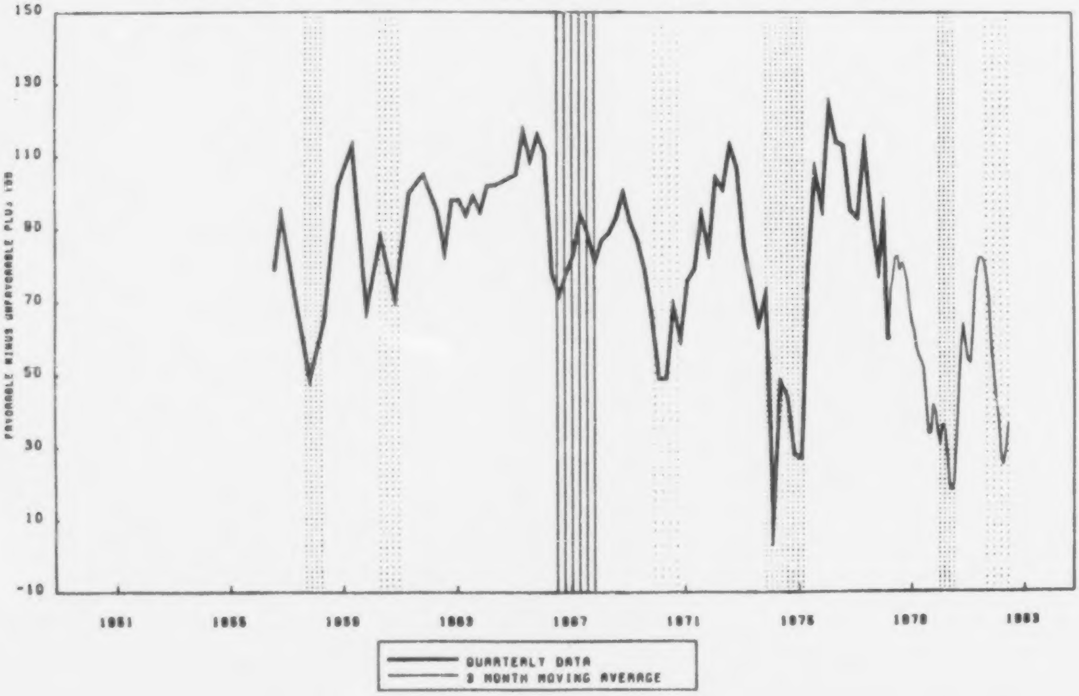
Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

## CHART 12 - RECENT CHANGES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## CHART 12 - HISTORICAL SERIES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 24% | 27% | 28% | 24% | 22% | 14% | 23% | 23% | 20% | 18% | 23% | 23% | 24% |
| UNFAVORABLE NEWS | 44 | 46 | 47 | 55 | 59 | 74 | 77 | 79 | 96 | 101 | 90 | 86 | 87 |
| NO MENTIONS | 52 | 51 | 48 | 47 | 45 | 43 | 37 | 33 | 29 | 26 | 29 | 31 | 31 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

## TABLE 13

## SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 6% | 4% | 7% | 8% | 5% | 3% | 4% | 4% | 3% | 4% | 2% | 2% | 2% |
| Employment | 4 | 7 | 8 | 6 | 4 | 2 | 4 | 5 | 5 | 4 | 4 | 6 | 6 |
| Consumer demand high | 1 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | * | * | 2 | 2 | 3 |
| Prices are low | 3 | 4 | 2 | * | 1 | * | 1 | 2 | 1 | 2 | 4 | 5 | 3 |
| Credit is easy | 2 | 2 | 2 | 2 | 3 | 4 | 10 | 6 | 5 | 3 | 5 | 3 | 2 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 4 | 5 | 6 | 5 | 5 | 3 | 4 | 5 | 6 | 7 | 5 | 4 | 4 |
| Unemployment | 16 | 16 | 17 | 19 | 20 | 28 | 32 | 35 | 40 | 46 | 41 | 45 | 44 |
| Consumer demand low | 3 | 4 | 5 | 3 | 6 | 10 | 11 | 11 | 14 | 12 | 11 | 8 | 9 |
| Prices are high | 5 | 5 | 3 | 5 | 3 | 7 | 4 | 5 | 4 | 5 | 4 | 4 | 4 |
| Credit is tight | 9 | 7 | 7 | 10 | 10 | 11 | 8 | 6 | 8 | 10 | 10 | 6 | 8 |
| Energy crisis | * | * | 1 | 1 | * | * | * | * | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

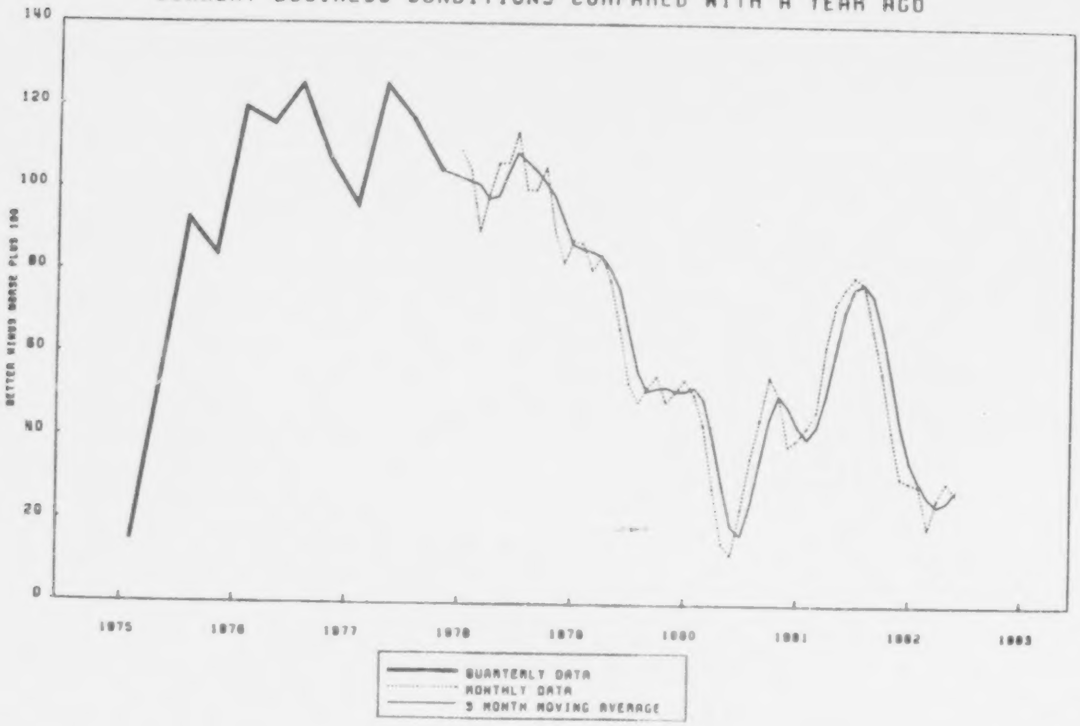
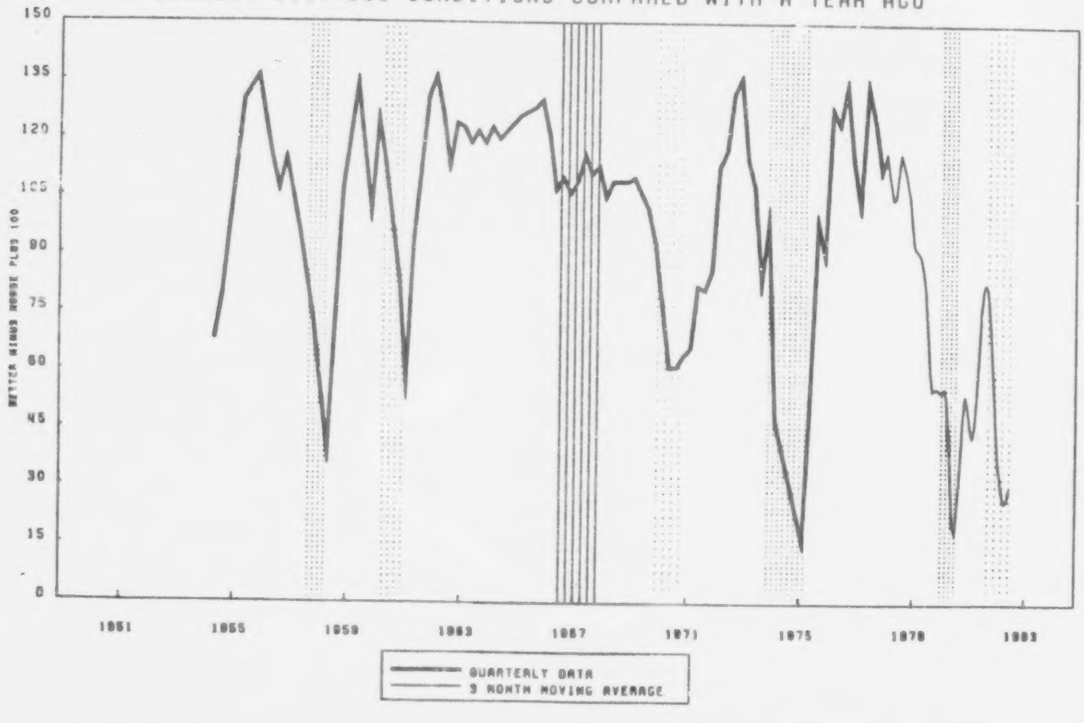


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 31% | 32% | 33% | 28% | 23% | 15% | 13% | 11% | 11% | 7% | 9% | 12% | 11% |
| SAME | 18 | 18 | 15 | 12 | 12 | 12 | 6 | 8 | 8 | 5 | 9 | 6 | 6 |
| WORSE NOW | 49 | 47 | 50 | 57 | 63 | 70 | 80 | 79 | 80 | 87 | 81 | 80 | 82 |
| DK,NA | 2 | 3 | 2 | 3 | 2 | 3 | 1 | 2 | 1 | 1 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

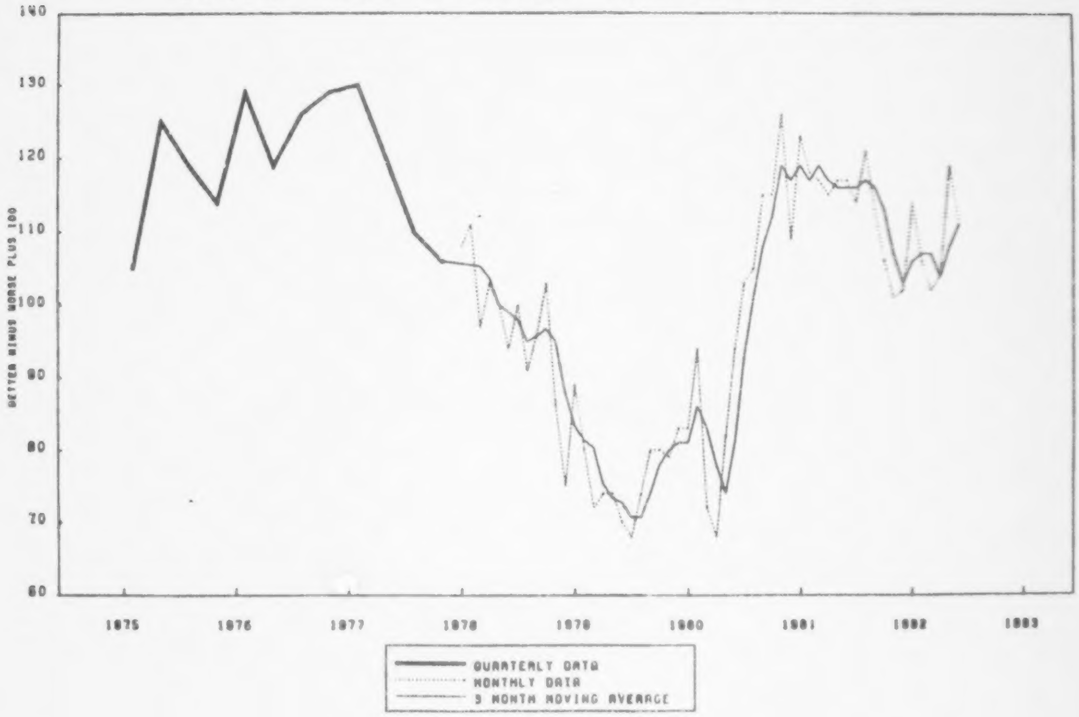
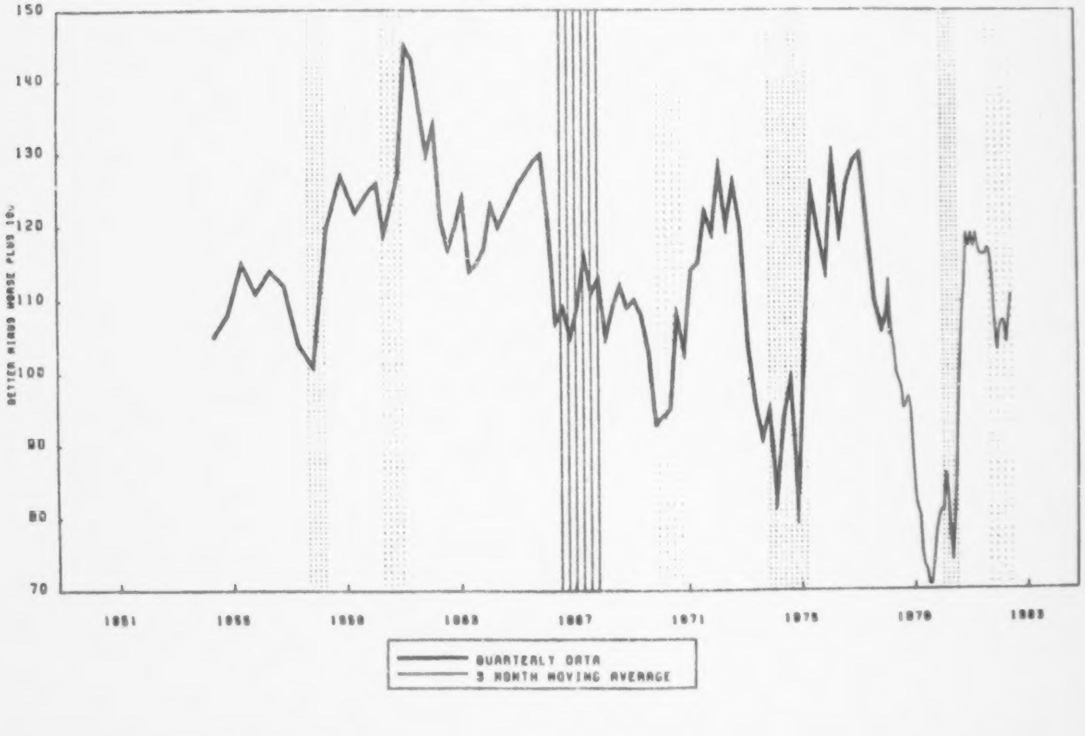


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 36% | 34% | 38% | 32% | 31% | 27% | 31% | 38% | 34% | 29% | 32% | 39% | 37% |
| SAME | 42 | 44 | 43 | 45 | 41 | 44 | 37 | 36 | 36 | 42 | 38 | 39 | 34 |
| WORSE | 19 | 20 | 17 | 19 | 25 | 26 | 29 | 24 | 28 | 27 | 28 | 20 | 26 |
| DK,NA | 3 | 2 | 2 | 4 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

# TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

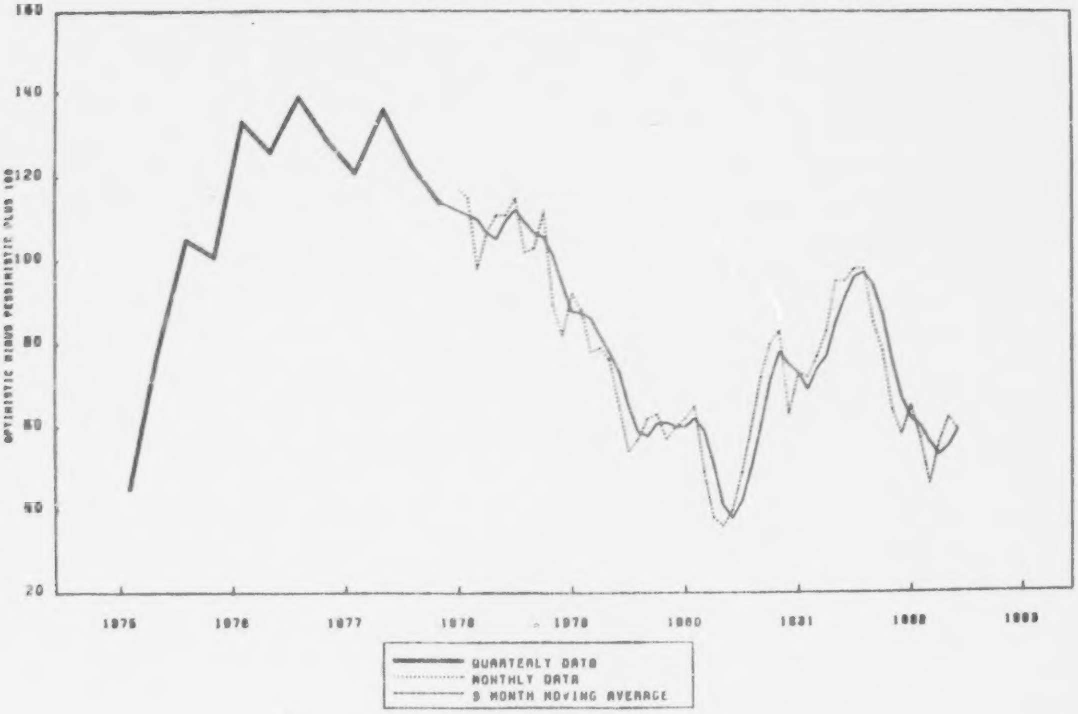
| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 25% | 21% | 29% | 24% | 19% | 15% | 15% | 19% | 19% | 13% | 14% | 18% | 11% |
| Employment | 3 | 3 | 3 | 2 | 6 | 3 | 2 | 5 | 4 | 3 | 4 | 5 | 4 |
| Higher consumer demand | 3 | 2 | 3 | 4 | 2 | 2 | 3 | 3 | 2 | 3 | 3 | 4 | 6 |
| Lower prices | 2 | 4 | 3 | 2 | 1 | 1 | 2 | 3 | 2 | 2 | 5 | 4 | 3 |
| Easier credit | 4 | 3 | 4 | 4 | 6 | 7 | 9 | 5 | 5 | 7 | 7 | 10 | 9 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 12 | 11 | 12 | 11 | 15 | 10 | 12 | 11 | 12 | 13 | 13 | 12 | 12 |
| Unemployment | 8 | 9 | 6 | 7 | 7 | 12 | 15 | 12 | 16 | 15 | 14 | 15 | 18 |
| Lower consumer demand | 4 | 5 | 3 | 6 | 4 | 6 | 7 | 6 | 7 | 9 | 7 | 4 | 6 |
| Higher prices | 8 | 7 | 4 | 9 | 7 | 8 | 8 | 5 | 6 | 6 | 4 | 4 | 5 |
| Tighter credit | 3 | 5 | 6 | 8 | 5 | 5 | 4 | 4 | 7 | 7 | 5 | 6 | 10 |
| Energy crisis | 1 | * | * | * | 1 | * | * | * | * | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

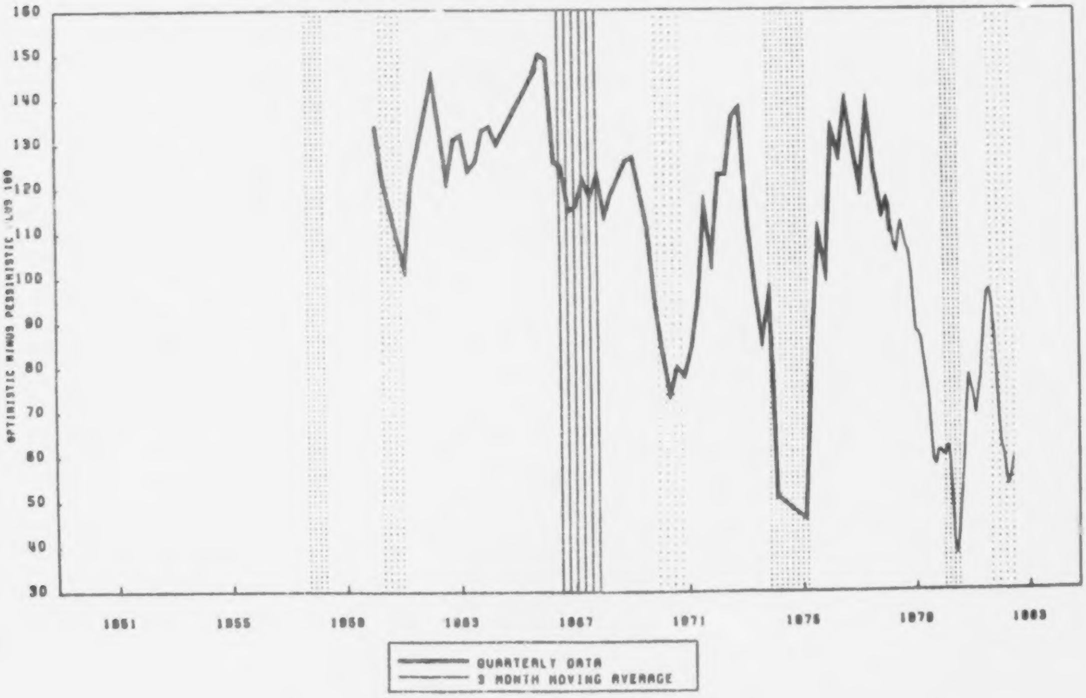
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

## CHART 17 - RECENT CHANGES
## TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## CHART 17 - HISTORICAL SERIES
## TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## TABLE 17

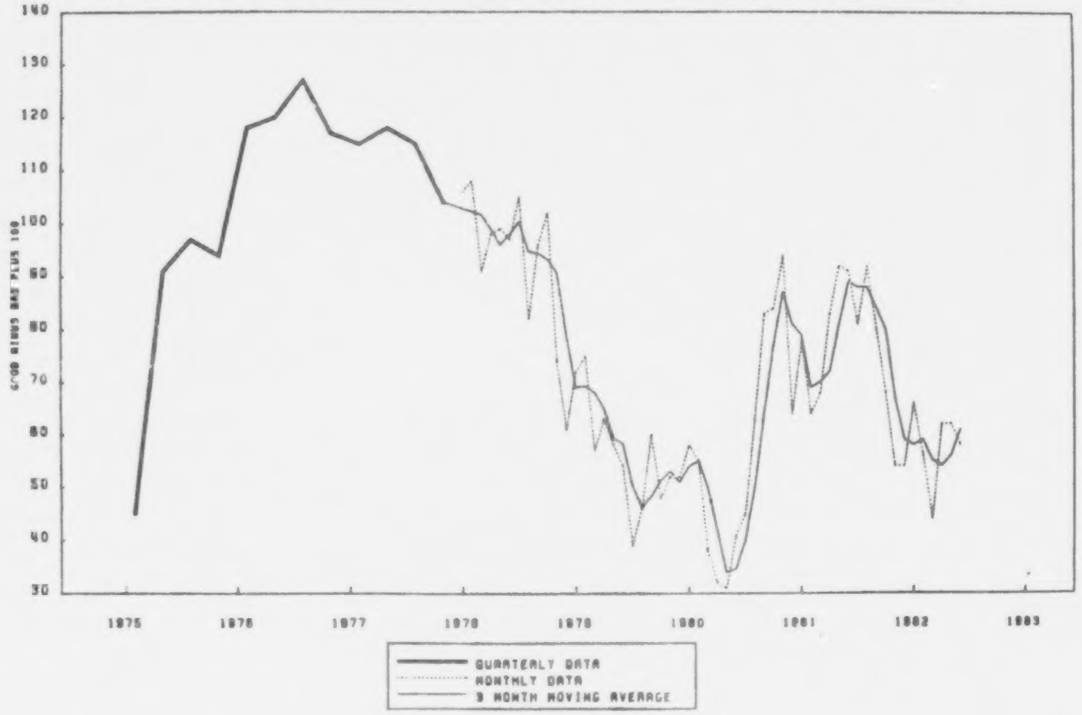
## TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 19% | 15% | 18% | 14% | 12% | 6% | 5% | 6% | 6% | 4% | 5% | 8% | 6% |
| Intermittent increase (b) | 16 | 21 | 17 | 16 | 14 | 11 | 8 | 9 | 6 | 5 | 7 | 6 | 6 |
| Remain unchanged (c) | 8 | 8 | 7 | 6 | 4 | 6 | 3 | 3 | 4 | 2 | 4 | 3 | 2 |
| Intermittent decline (d) | 25 | 24 | 25 | 29 | 27 | 31 | 29 | 27 | 30 | 37 | 30 | 33 | 29 |
| Continuous decline (e) | 15 | 14 | 12 | 16 | 21 | 22 | 26 | 23 | 25 | 26 | 26 | 19 | 24 |
| Mixed change (f) | 12 | 13 | 18 | 14 | 17 | 18 | 25 | 29 | 26 | 23 | 24 | 28 | 30 |
| DK,NA | 5 | 5 | 3 | 5 | 5 | 6 | 4 | 3 | 3 | 3 | 4 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

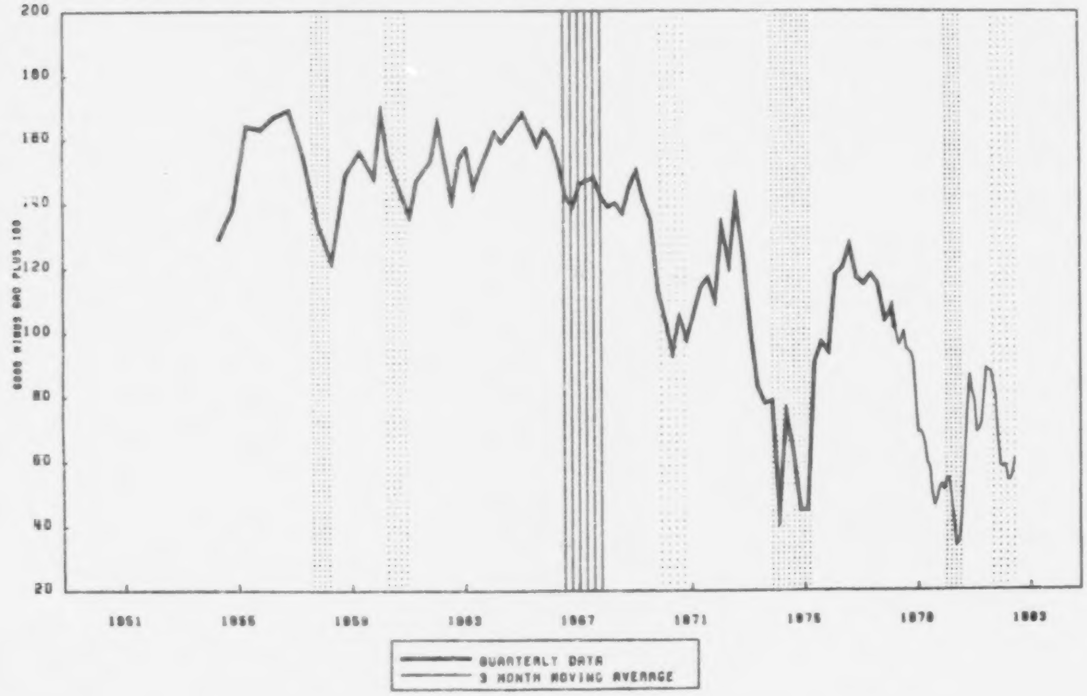
Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

## CHART 18 - RECENT CHANGES
## BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



## CHART 18 - HISTORICAL SERIES
## BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



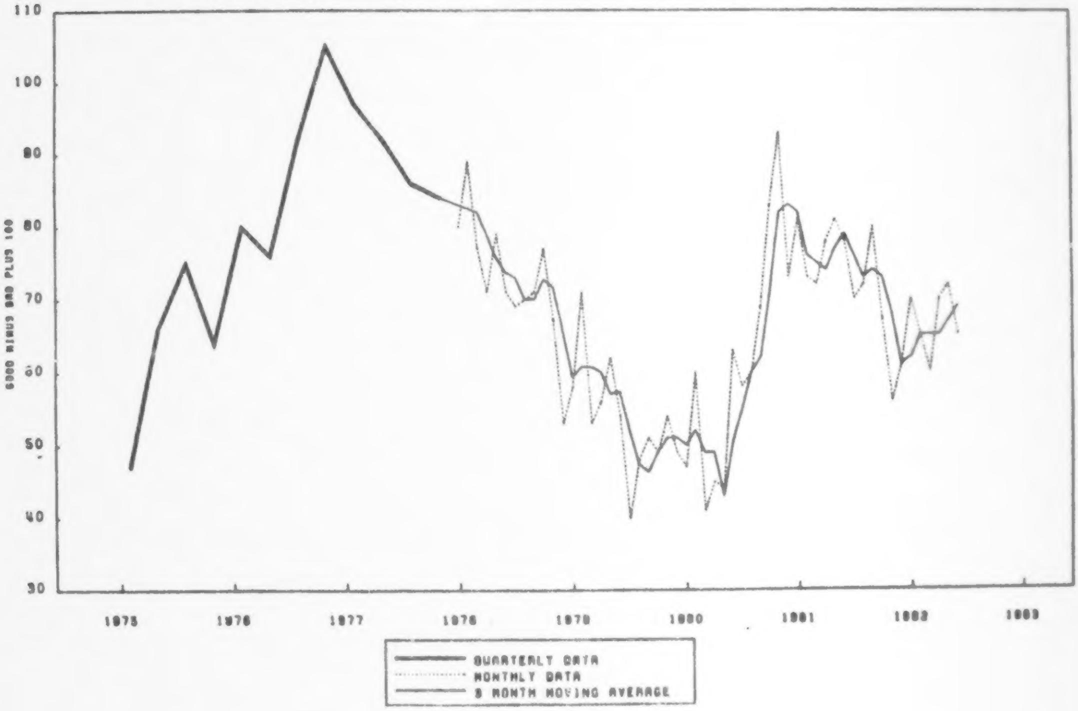
## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

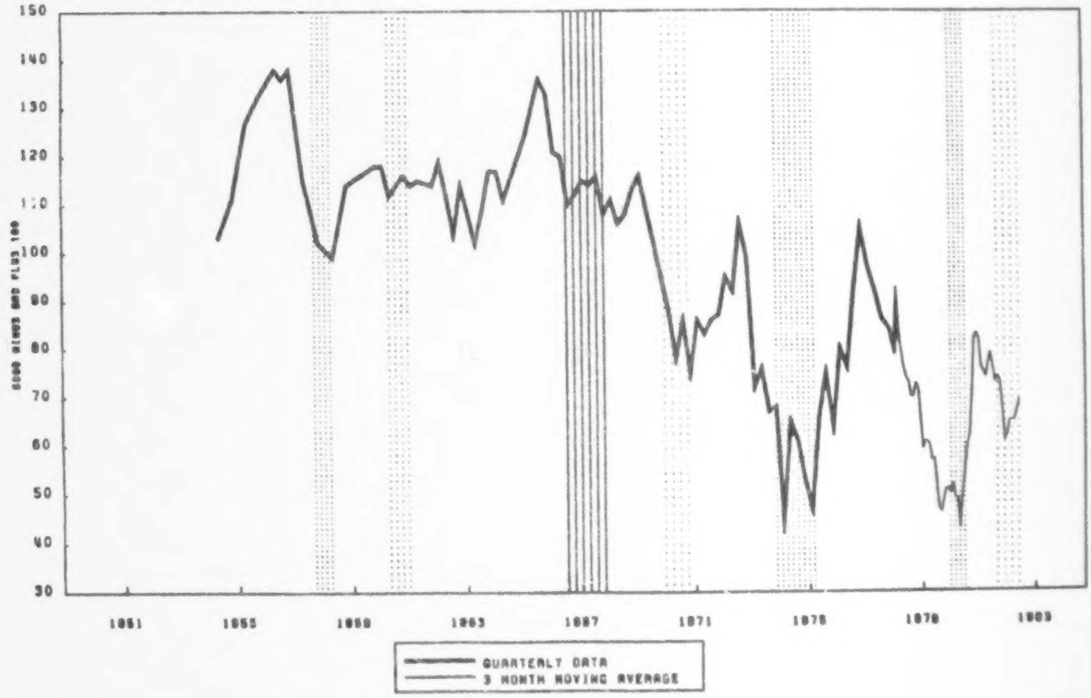
| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 41% | 35% | 40% | 33% | 25% | 21% | 23% | 30% | 23% | 17% | 28% | 27% | 25% |
| UNCERTAIN; GOOD & BAD | 2 | 2 | 4 | 3 | 3 | 4 | 2 | 1 | 2 | 2 | 1 | 1 | 1 |
| BAD TIMES | 50 | 54 | 48 | 53 | 57 | 67 | 69 | 64 | 67 | 73 | 66 | 65 | 67 |
| DON'T KNOW | 5 | 5 | 5 | 6 | 8 | 6 | 4 | 3 | 4 | 3 | 4 | 4 | 4 |
| NOT ASCERTAINED | 2 | 4 | 3 | 5 | 7 | 2 | 2 | 2 | 4 | 5 | 1 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

## CHART 19 - RECENT CHANGES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## CHART 19 - HISTORICAL SERIES
## BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



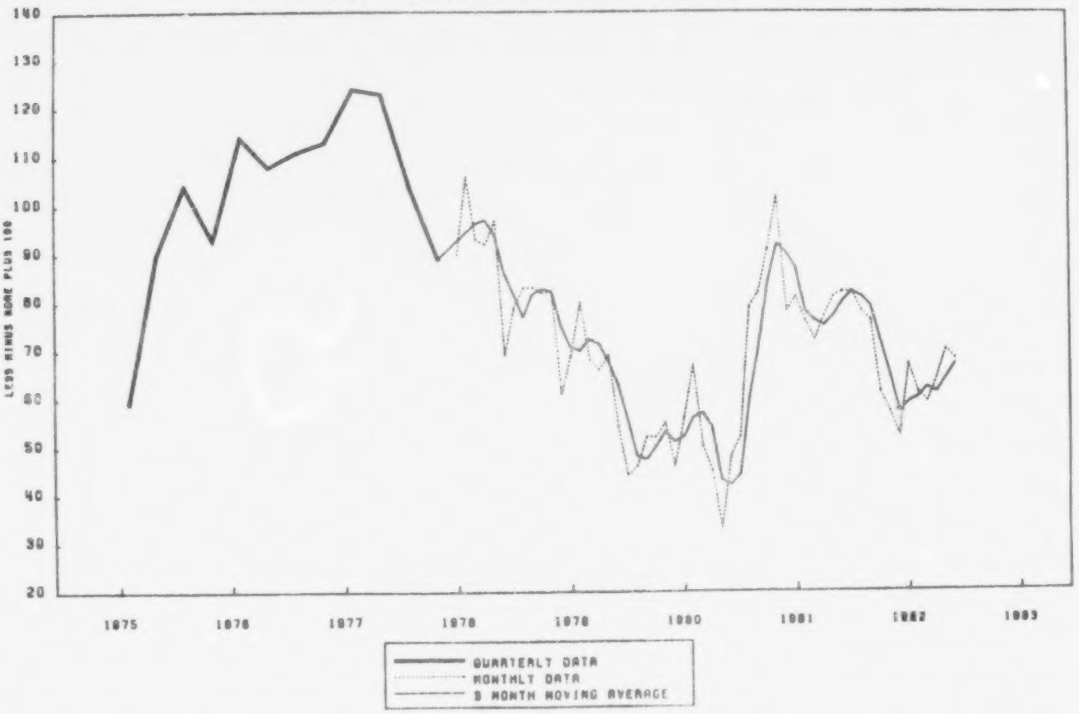
## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

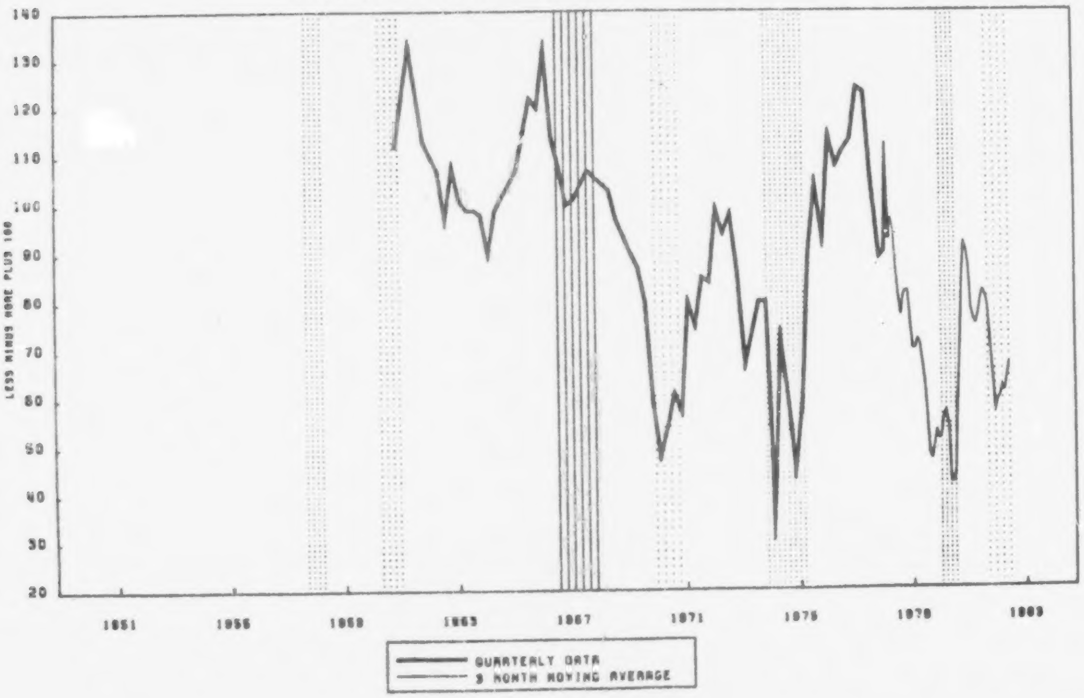
| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 33% | 27% | 28% | 30% | 24% | 18% | 20% | 28% | 24% | 22% | 25% | 27% | 24% |
| UNCERTAIN; GOOD & BAD | 9 | 11 | 12 | 16 | 14 | 17 | 17 | 11 | 13 | 13 | 13 | 13 | 12 |
| BAD TIMES | 55 | 57 | 56 | 50 | 57 | 62 | 59 | 58 | 59 | 62 | 55 | 55 | 59 |
| NOT ASCERTAINED | 3 | 5 | 4 | 4 | 5 | 3 | 4 | 3 | 4 | 3 | 7 | 5 | 5 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

## CHART 20 - RECENT CHANGES
## EXPECTED CHANGE IN UNEMPLOYMENT



## CHART 20 - HISTORICAL SERIES
## EXPECTED CHANGE IN UNEMPLOYMENT



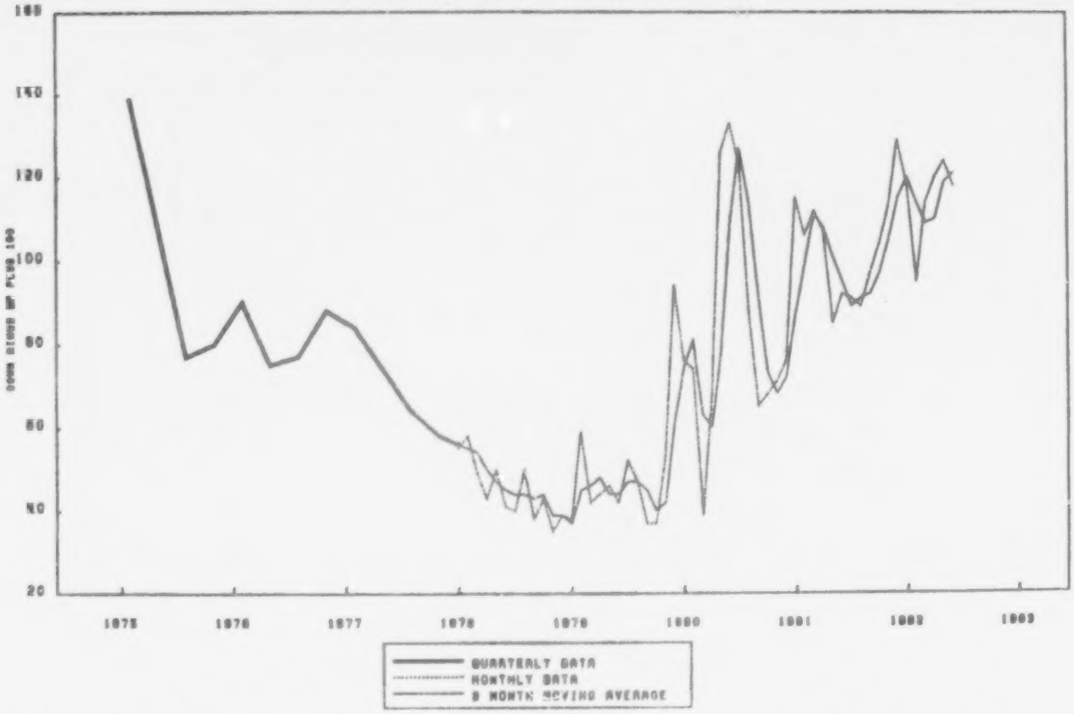
## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

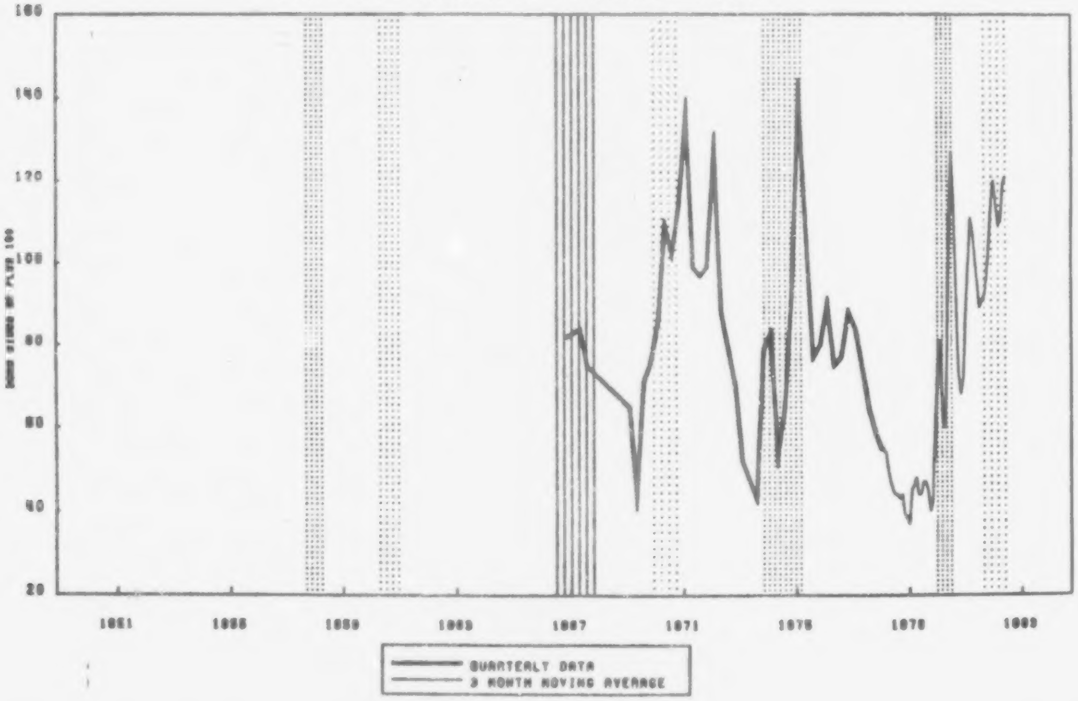
| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 18% | 18% | 14% | 15% | 11% | 11% | 11% | 16% | 13% | 13% | 14% | 17% | 16% |
| SAME | 44 | 44 | 47 | 45 | 38 | 33 | 28 | 34 | 33 | 32 | 34 | 35 | 35 |
| MORE | 36 | 36 | 36 | 39 | 50 | 54 | 59 | 49 | 52 | 54 | 50 | 47 | 48 |
| DK,NA | 2 | 2 | 3 | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 2 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

## CHART 21 - RECENT CHANGES
## EXPECTED CHANGE IN INTEREST RATES



## CHART 21 - HISTORICAL SERIES
## EXPECTED CHANGE IN INTEREST RATES



## TABLE 21

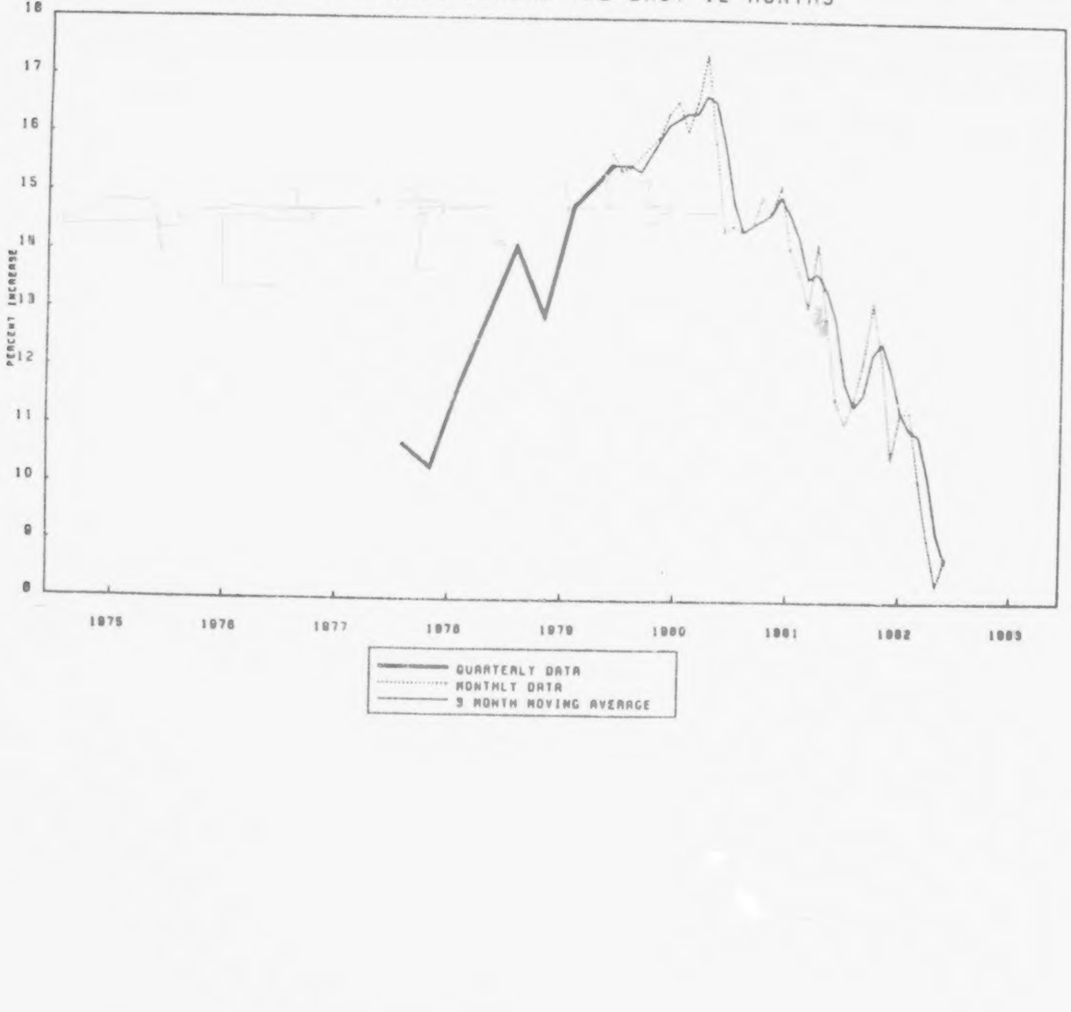
## EXPECTED CHANGE IN INTEREST RATES

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 38% | 38% | 37% | 33% | 31% | 29% | 21% | 25% | 34% | 25% | 22% | 19% | 21% |
| STAY THE SAME | 27 | 28 | 34 | 33 | 30 | 25 | 25 | 28 | 33 | 33 | 33 | 34 | 37 |
| GO DOWN | 30 | 29 | 26 | 30 | 35 | 42 | 50 | 43 | 29 | 39 | 42 | 43 | 39 |
| DK,NA | 5 | 5 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS



## TABLE 22

## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 9% | 10% | 11% | 10% | 8% | 7% | 10% | 11% | 13% | 15% | 15% | 23% | 14% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 4 | 4 | 4 | 3 | 4 | 2 | 4 | 4 | 4 | 5 | 4 | 2 | 8 |
| 3-4% | 7 | 7 | 7 | 5 | 6 | 7 | 7 | 5 | 6 | 7 | 7 | 11 | 10 |
| 5% | 11 | 11 | 10 | 9 | 9 | 11 | 11 | 11 | 11 | 13 | 12 | 12 | 12 |
| 6-9% | 12 | 12 | 11 | 15 | 12 | 14 | 15 | 17 | 14 | 12 | 14 | 13 | 14 |
| 10-14% | 28 | 24 | 25 | 25 | 26 | 26 | 28 | 24 | 24 | 24 | 24 | 16 | 21 |
| 15% or more | 24 | 24 | 23 | 24 | 27 | 24 | 19 | 22 | 22 | 19 | 17 | 17 | 16 |
| DK how much up | 5 | 8 | 9 | 8 | 8 | 8 | 6 | 6 | 6 | 5 | 7 | 6 | 5 |
| DK,NA | * | * | * | 1 | * | 1 | * | * | * | * | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 11.5 | 11.1 | 11.5 | 12.2 | 13.2 | 12.2 | 10.5 | 11.3 | 11.3 | 10.1 | 9.1 | 8.3 | 8.8 |
| VARIANCE | 110 | 111 | 114 | 143 | 156 | 134 | 104 | 126 | 132 | 114 | 83 | 96 | 93 |
| CASES | 675 | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up, on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

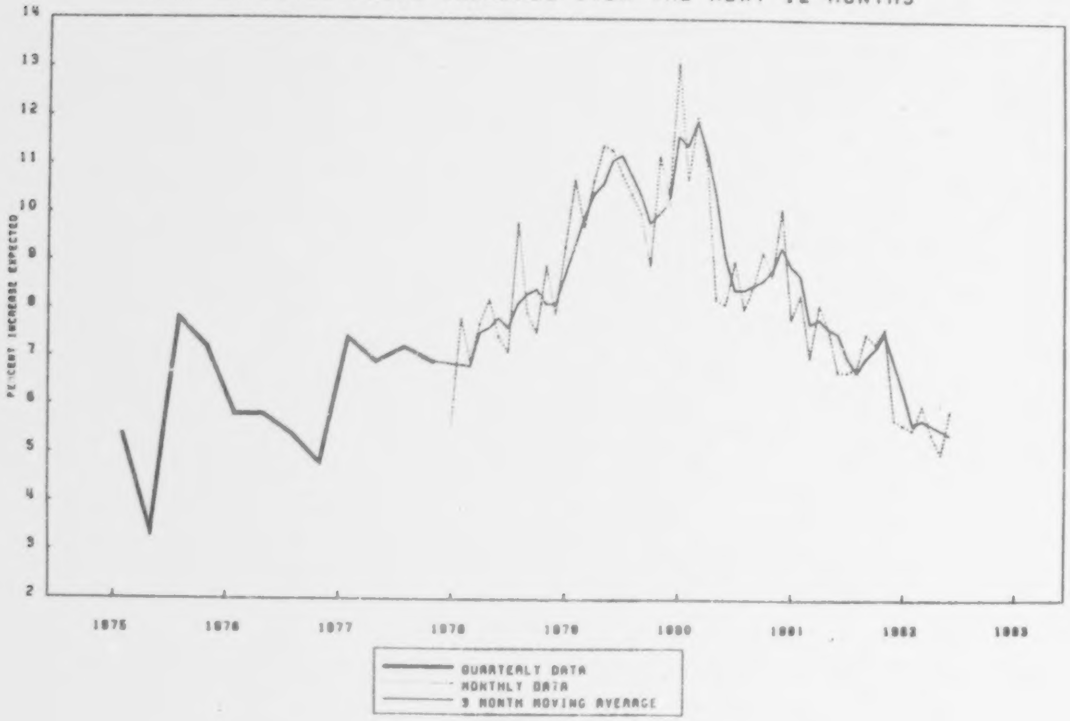
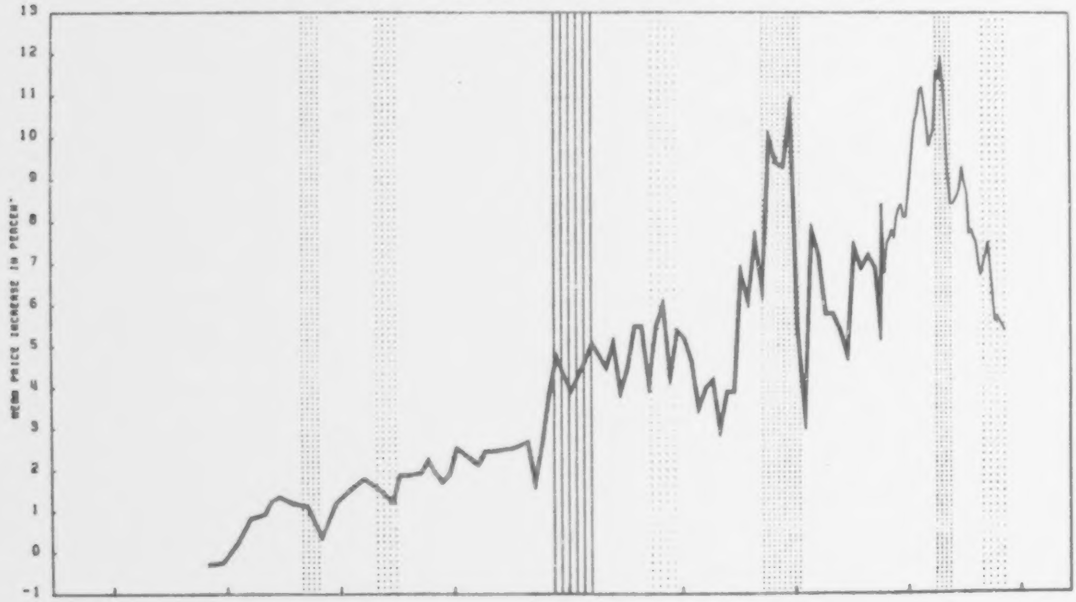


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 31% | 31% | 28% | 30% | 27% | 27% | 35% | 36% | 38% | 32% | 33% | 36% | 30% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 4 | 2 | 6 | 5 | 5 | 4 | 4 | 5 | 4 | 7 | 4 | 6 | 7 |
| 3-4% | 7 | 7 | 7 | 8 | 7 | 6 | 8 | 8 | 7 | 11 | 7 | 9 | 10 |
| 5% | 9 | 10 | 12 | 10 | 12 | 11 | 12 | 13 | 12 | 11 | 16 | 15 | 14 |
| 6-9% | 12 | 15 | 12 | 11 | 14 | 11 | 14 | 11 | 12 | 12 | 10 | 11 | 10 |
| 10-14% | 22 | 18 | 16 | 17 | 17 | 22 | 14 | 13 | 14 | 12 | 16 | 8 | 16 |
| 15% or more | 10 | 10 | 11 | 13 | 12 | 11 | 8 | 8 | 7 | 11 | 8 | 8 | 8 |
| DK how much up | 4 | 7 | 5 | 5 | 5 | 6 | 3 | 4 | 5 | 2 | 3 | 4 | 3 |
| DK,NA | 1 | * | 3 | 1 | 1 | 2 | 2 | 2 | 1 | 2 | 3 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 6.7 | 6.7 | 6.8 | 7.5 | 7.3 | 7.6 | 5.7 | 5.6 | 5.5 | 6.0 | 5.4 | 5.0 | 5.9 |
| VARIANCE | 62 | 70 | 70 | 91 | 71 | 84 | 62 | 59 | 59 | 85 | 54 | 58 | 71 |
| CASES | 675 | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

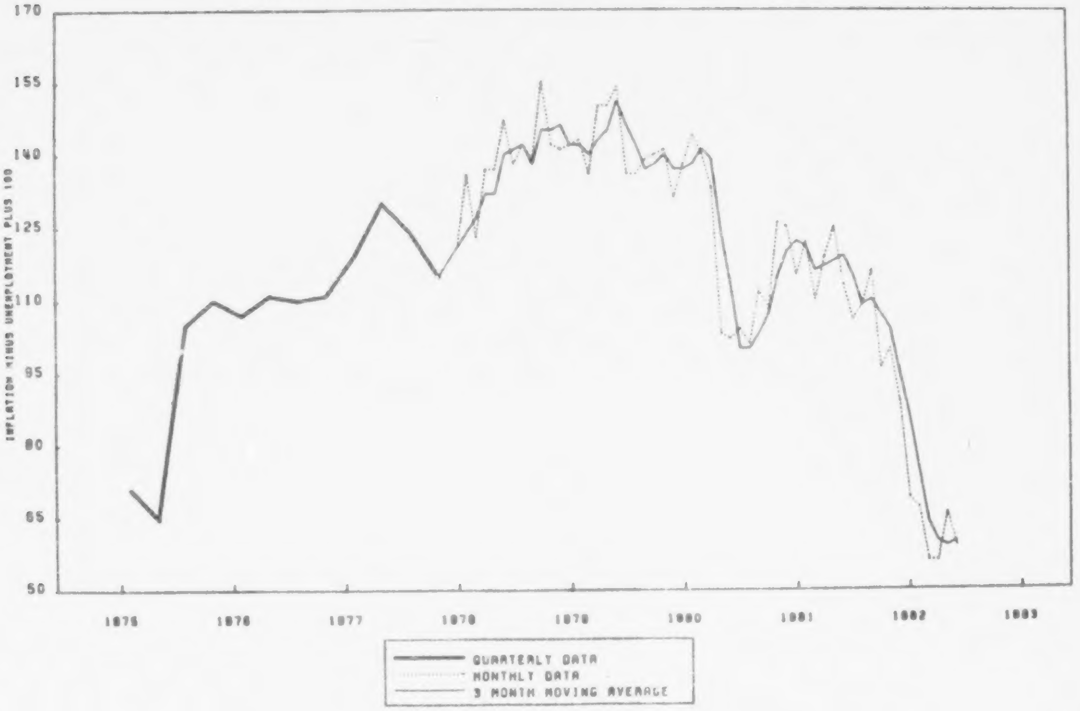


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

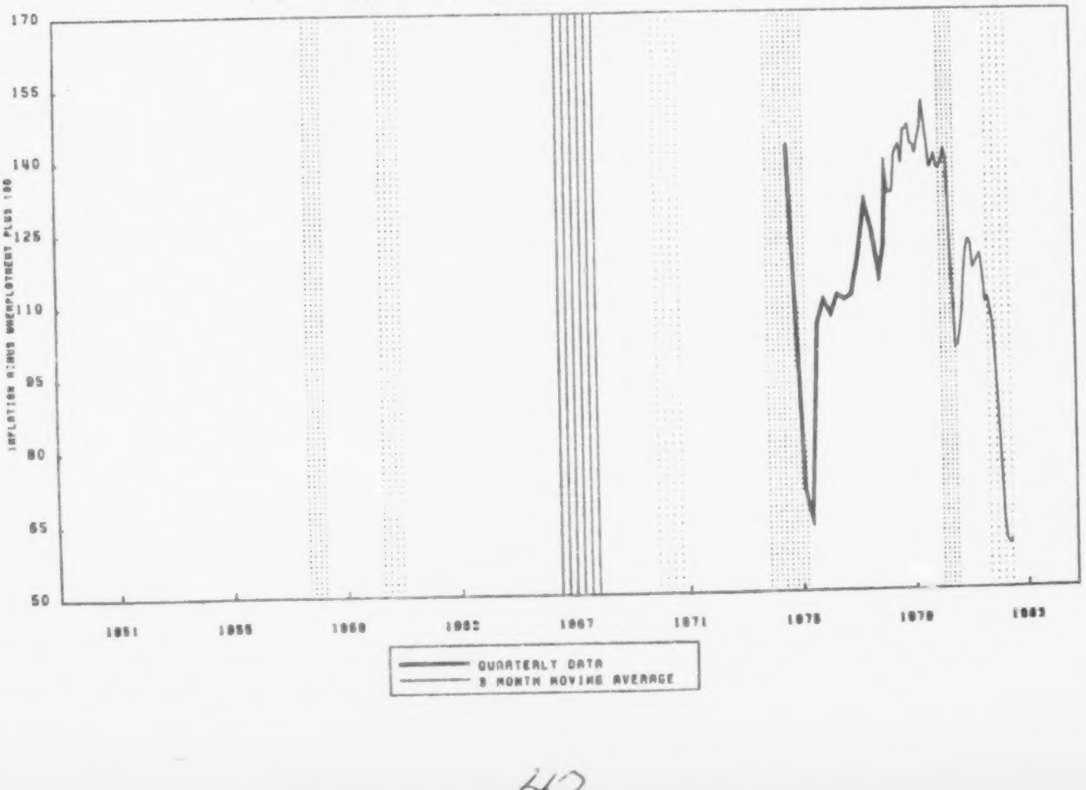


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 36% | 42% | 39% | 37% | 45% | 43% | 49% | 60% | 59% | 66% | 65% | 62% | 64% |
| BOTH EQUALLY SERIOUS | 14 | 9 | 11 | 9 | 12 | 13 | 11 | 10 | 14 | 11 | 13 | 9 | 12 |
| INFLATION | 49 | 48 | 48 | 53 | 41 | 43 | 38 | 29 | 26 | 22 | 21 | 28 | 23 |
| DK,NA | 1 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

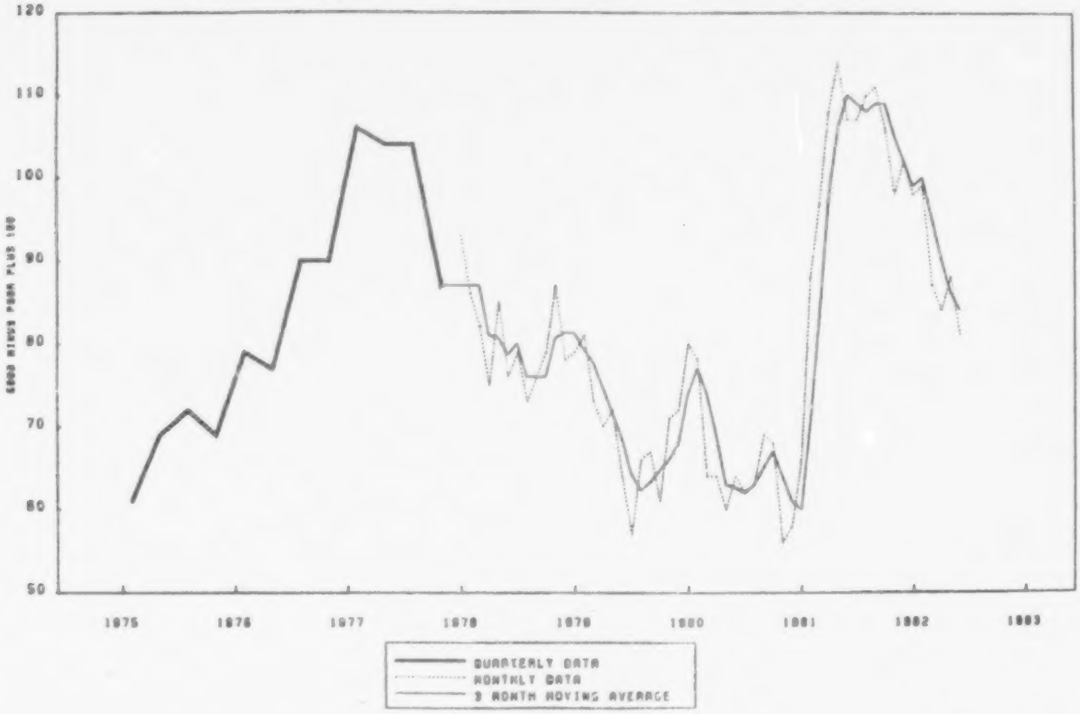
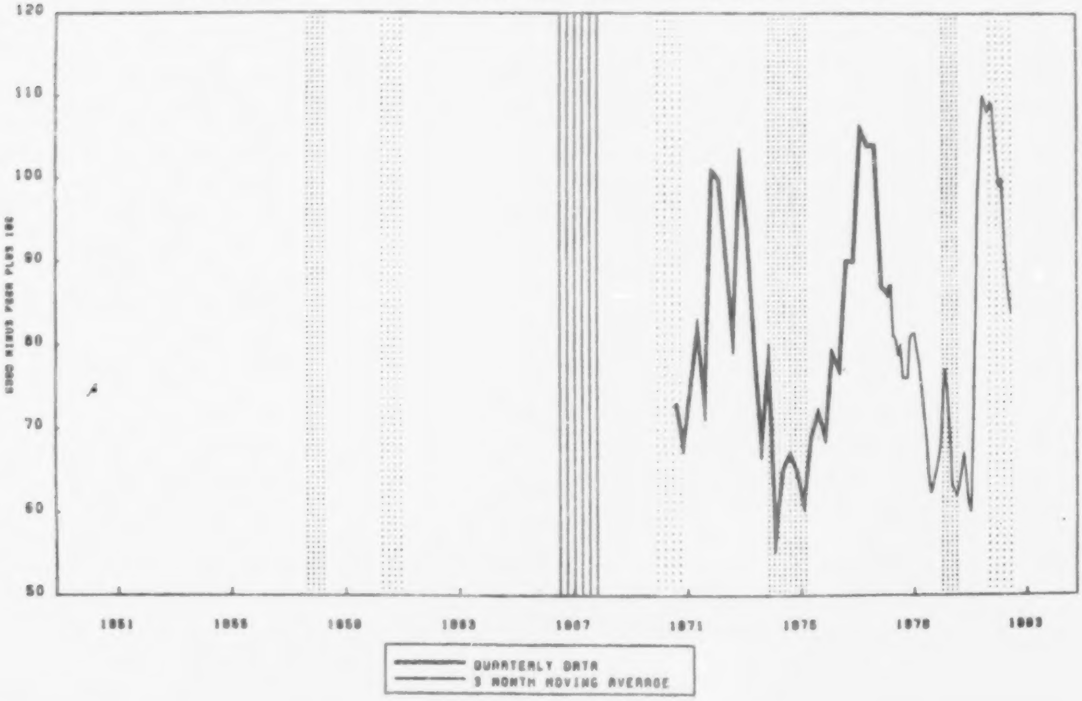


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 25% | 28% | 31% | 31% | 31% | 23% | 26% | 25% | 27% | 18% | 22% | 20% | 16% |
| ONLY FAIR | 54 | 47 | 44 | 45 | 41 | 49 | 47 | 46 | 42 | 48 | 37 | 46 | 46 |
| A POOR JOB | 18 | 21 | 21 | 20 | 25 | 25 | 24 | 27 | 28 | 31 | 38 | 32 | 35 |
| DK,NA | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

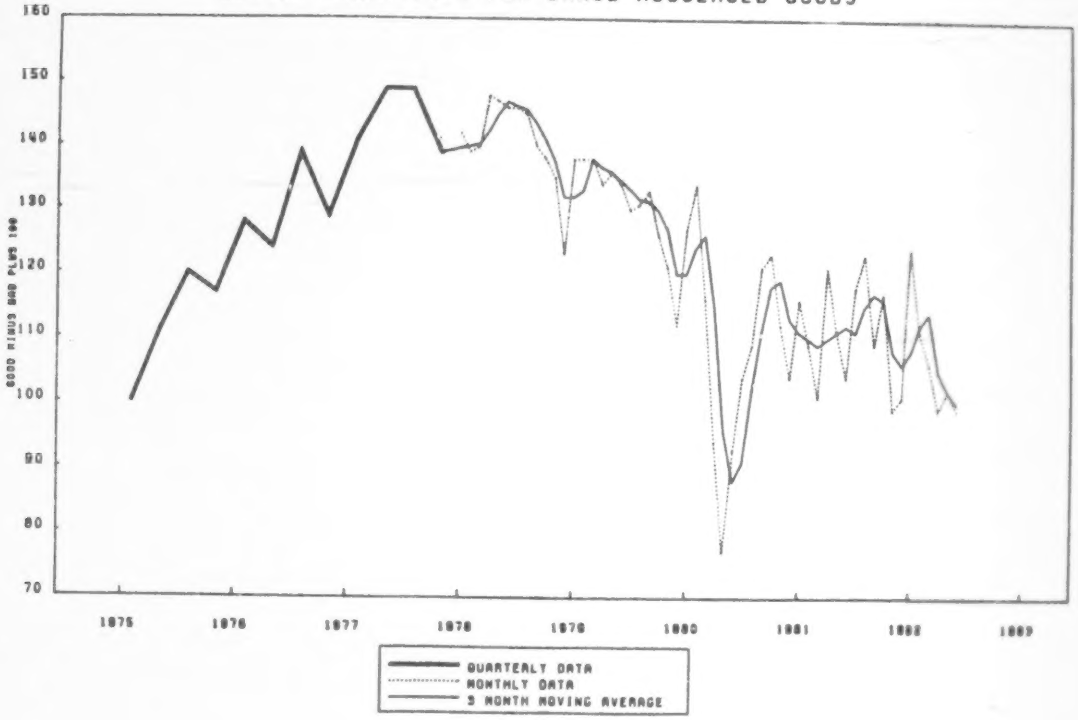
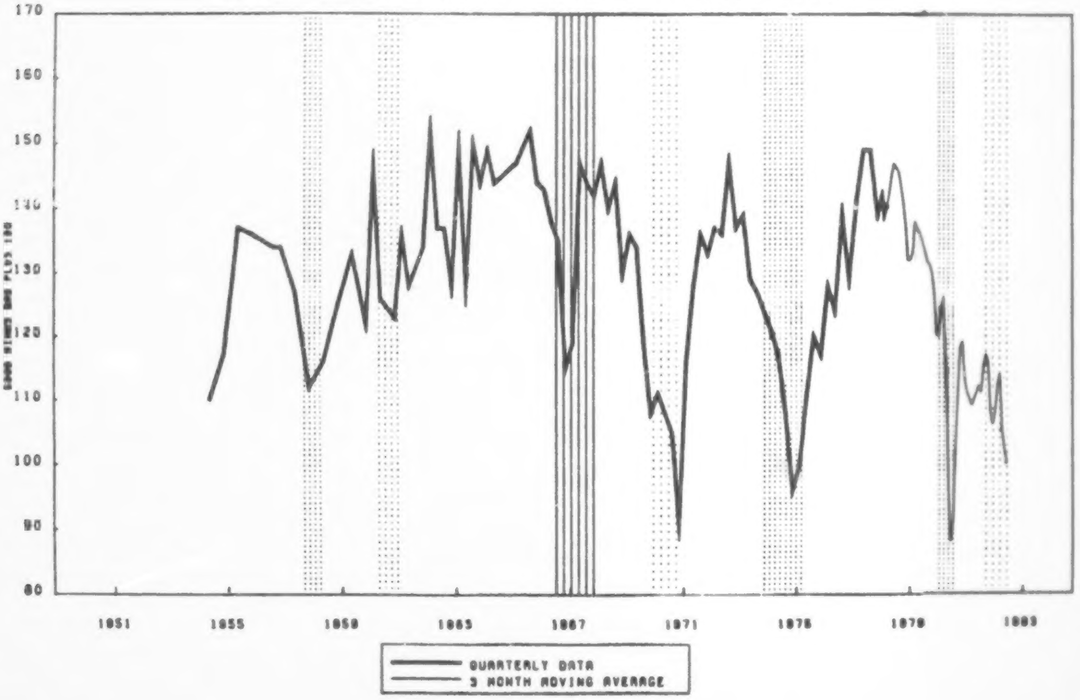


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## TABLE 26

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 44% | 53% | 55% | 44% | 52% | 43% | 44% | 57% | 48% | 48% | 41% | 45% | 43% |
| UNCERTAIN, DEPENDS | 16 | 12 | 13 | 21 | 13 | 13 | 13 | 10 | 15 | 10 | 17 | 12 | 13 |
| BAD TIME TO BUY | 40 | 35 | 32 | 35 | 35 | 44 | 43 | 33 | 37 | 42 | 42 | 43 | 44 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

## TABLE 27

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 20% | 24% | 24% | 20% | 21% | 19% | 26% | 32% | 30% | 32% | 29% | 31% | 27% |
| Prices won't come down; are going higher | 23 | 27 | 26 | 21 | 25 | 20 | 21 | 22 | 18 | 15 | 14 | 15 | 14 |
| Interest rates low; credit is easy | 1 | 2 | 3 | 1 | 1 | 2 | 2 | 3 | 2 | 1 | 1 | 3 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 22 | 23 | 17 | 21 | 19 | 25 | 26 | 17 | 22 | 22 | 23 | 21 | 21 |
| Interest rates are high; credit is tight | 23 | 17 | 21 | 21 | 17 | 23 | 21 | 18 | 19 | 24 | 26 | 24 | 24 |
| Lack of purchasing power | 13 | 8 | 7 | 9 | 11 | 12 | 15 | 13 | 15 | 18 | 19 | 20 | 21 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

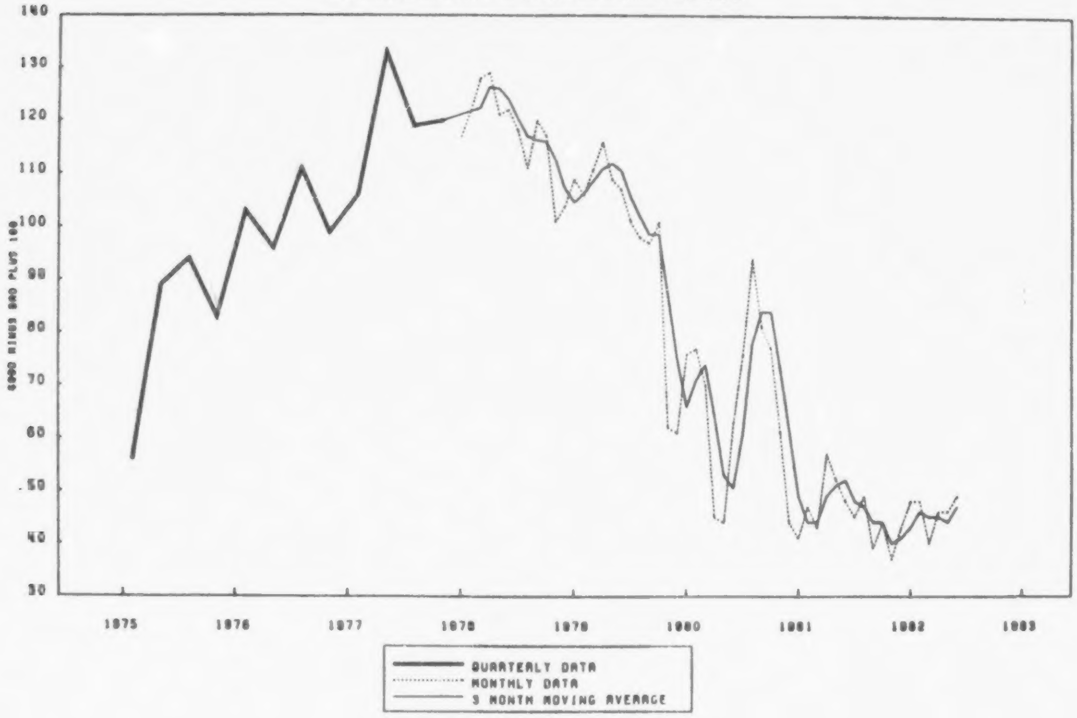
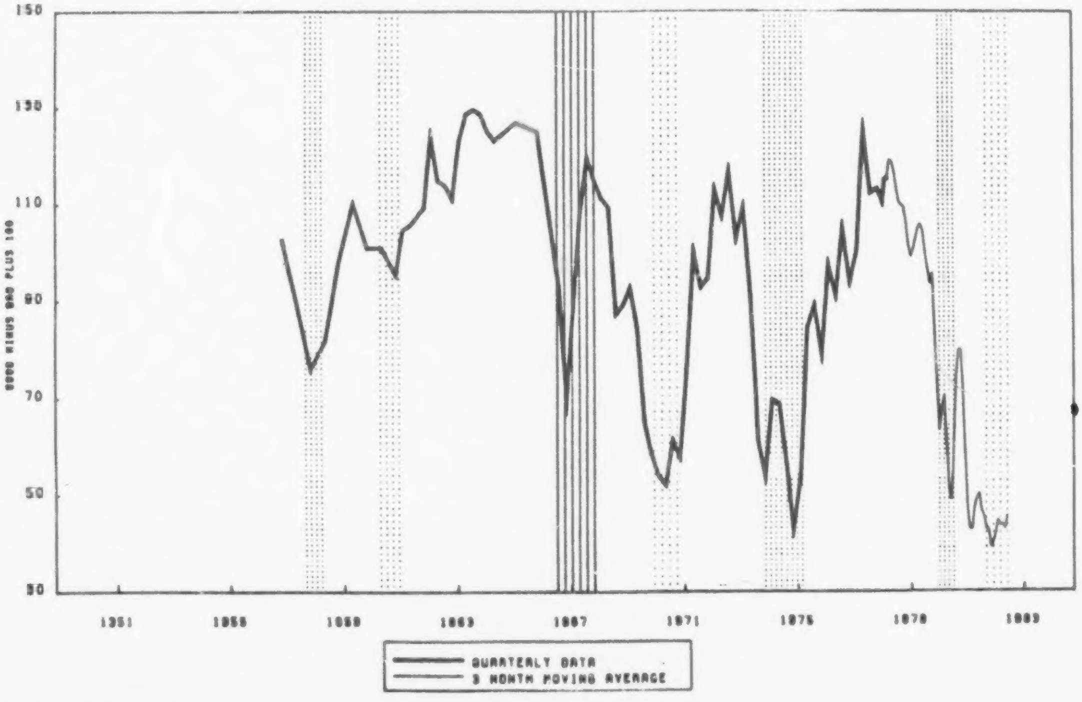


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



## TABLE 28

## BUYING CONDITIONS FOR HOUSES

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 20% | 20% | 21% | 15% | 18% | 16% | 19% | 21% | 21% | 17% | 20% | 19% | 21% |
| UNCERTAIN, DEPENDS | 8 | 5 | 7 | 9 | 8 | 5 | 5 | 6 | 6 | 6 | 6 | 8 | 7 |
| BAD TIME TO BUY | 72 | 75 | 72 | 76 | 74 | 79 | 76 | 73 | 73 | 77 | 74 | 73 | 72 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

## TABLE 29

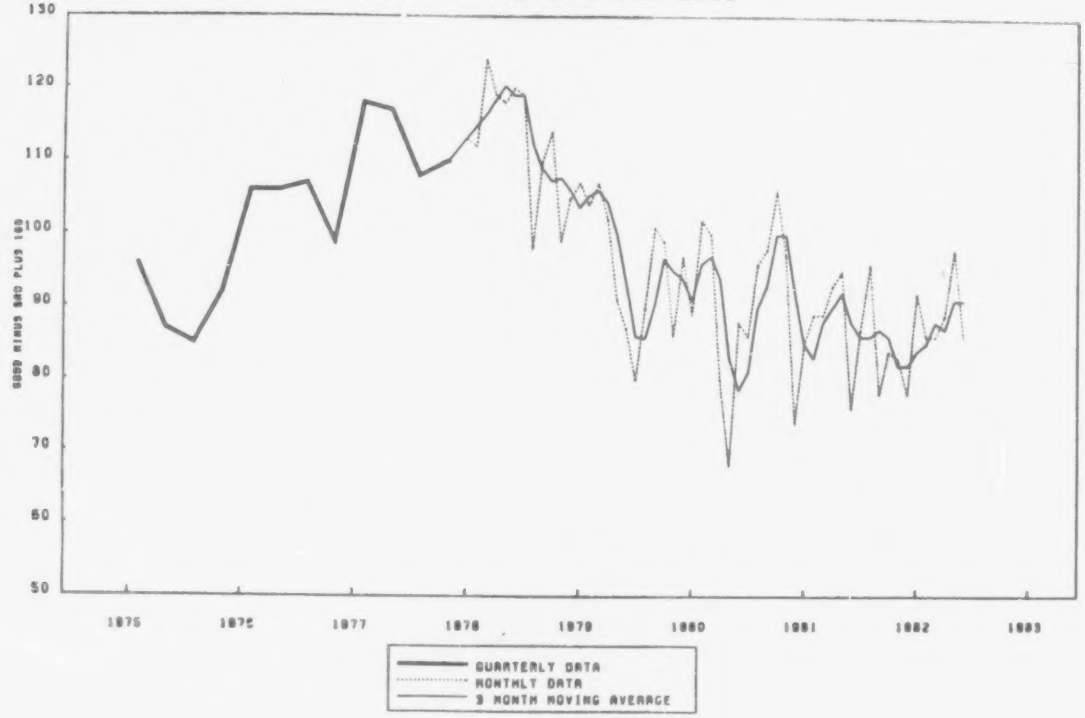
## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 5% | 5% | 6% | 5% | 7% | 7% | 12% | 13% | 11% | 13% | 15% | 16% | 15% |
| Prices won't come down; are going higher | 10 | 10 | 10 | 7 | 9 | 7 | 7 | 5 | 5 | 7 | 4 | 4 | 4 |
| Interest rates low; credit is easy | 5 | 6 | 8 | 6 | 4 | 4 | 6 | 8 | 7 | 4 | 6 | 6 | 7 |
| Good investment | 6 | 7 | 5 | 4 | 3 | 5 | 3 | 5 | 6 | 4 | 5 | 5 | 4 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 30 | 30 | 23 | 30 | 27 | 24 | 27 | 28 | 2[illegible] | 25 | 24 | 27 | 27 |
| Interest rates are high; credit is tight | 71 | 71 | 76 | 80 | 78 | 83 | 81 | 72 | 76 | 78 | 74 | 72 | 75 |
| Lack of purchasing power | 13 | 12 | 11 | 15 | 11 | 17 | 21 | 22 | 19 | 23 | 22 | 18 | 23 |

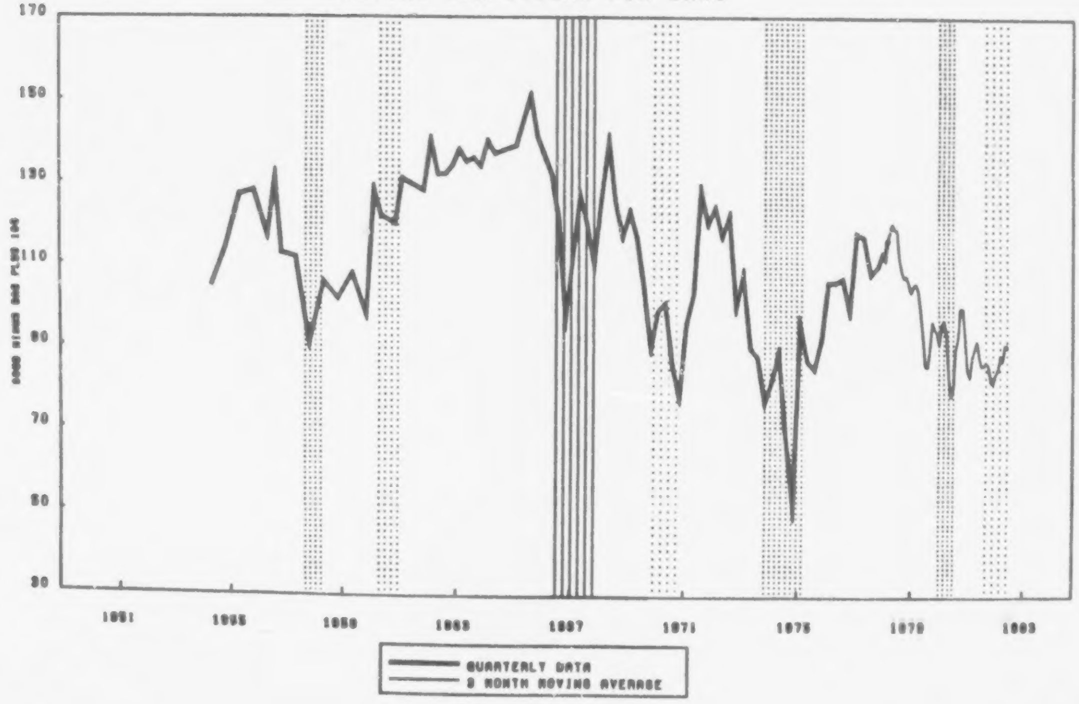
Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

## CHART 30 - RECENT CHANGES
## BUYING CONDITIONS FOR CARS



## CHART 30 - HISTORICAL SERIES
## BUYING CONDITIONS FOR CARS



## TABLE 30

## BUYING CONDITIONS FOR CARS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 33% | 40% | 43% | 34% | 37% | 37% | 34% | 41% | 37% | 39% | 40% | 44% | 40% |
| UNCERTAIN; DEPENDS | 10 | 7 | 10 | 10 | 10 | 9 | 10 | 10 | 12 | 8 | 9 | 10 | 6 |
| BAD TIME TO BUY | 57 | 53 | 47 | 56 | 53 | 54 | 56 | 49 | 51 | 53 | 51 | 46 | 54 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

## TABLE 31

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

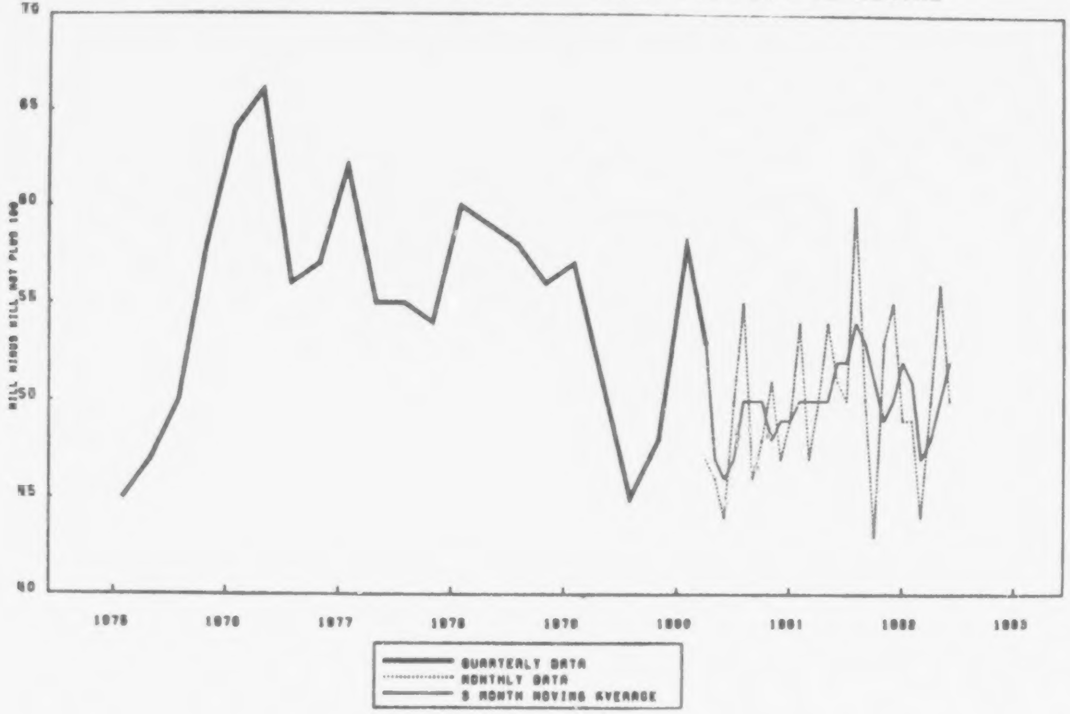
| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 14% | 17% | 19% | 14% | 20% | 21% | 22% | 29% | 33% | 37% | 36% | 36% | 32% |
| Prices won´t come down; are going higher | 12 | 18 | 18 | 15 | 14 | 12 | 12 | 11 | 6 | 8 | 7 | 8 | 6 |
| Interest rates low; credit is easy | 2 | 3 | 5 | 6 | 4 | 5 | 5 | 6 | 3 | 3 | 7 | 11 | 7 |
| New fuel efficient models | 5 | 5 | 4 | 4 | 2 | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 34 | 33 | 26 | 30 | 36 | 32 | 37 | 31 | 33 | 32 | 28 | 27 | 33 |
| Interest rates are high; credit is tight | 28 | 25 | 26 | 31 | 29 | 26 | 27 | 26 | 28 | 30 | 29 | 26 | 27 |
| Lack of purchasing power | 6 | 6 | 5 | 8 | 7 | 8 | 13 | 13 | 12 | 16 | 13 | 11 | 11 |
| Price of gas; shortages | 2 | 3 | 4 | 3 | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 2 |
| Poor selection; quality | 9 | 11 | 8 | 9 | 8 | 10 | 9 | 8 | 9 | 7 | 8 | 6 | 10 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

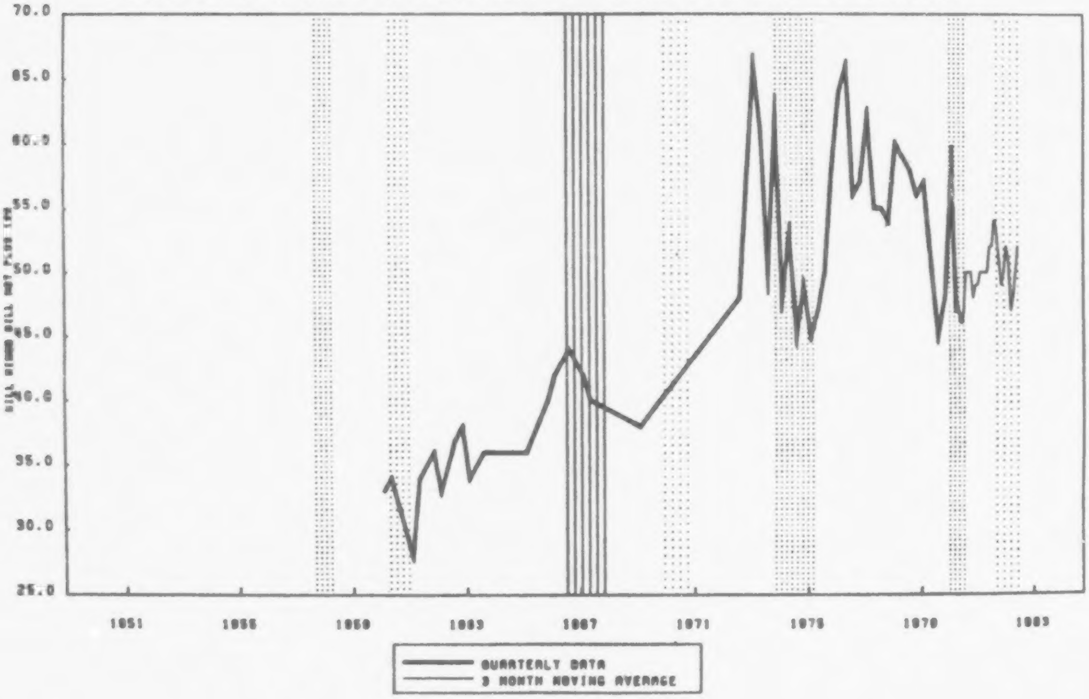
## CHART 32 - RECENT CHANGES

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS



## CHART 32 - HISTORICAL SERIES

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS



## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 17% | 14% | 19% | 17% | 14% | 19% | 19% | 16% | 17% | 14% | 17% | 19% | 18% |
| CHANCES ARE EVEN | 8 | 7 | 7 | 3 | 7 | 6 | 7 | 8 | 7 | 7 | 6 | 8 | 7 |
| PROBABLY WILL NOT BUY | 66 | 64 | 59 | 67 | 70 | 66 | 64 | 67 | 68 | 70 | 67 | 63 | 68 |
| DK,NA | 9 | 15 | 15 | 13 | 9 | 9 | 10 | 9 | 8 | 9 | 10 | 10 | 7 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 675 | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 25% | 21% | 26% | 20% | 21% | 25% | 26% | 24% | 24% | 21% | 23% | 27% | 25% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 10 | 9 | 12 | 9 | 10 | 11 | 11 | 9 | 11 | 11 | 11 | 13 | 9 |
| Buy used | 11 | 9 | 11 | 9 | 9 | 12 | 13 | 13 | 11 | 9 | 11 | 11 | 13 |
| Lease | 2 | 2 | 2 | 1 | 1 | * | 1 | 1 | 1 | * | 1 | 1 | 2 |
| DK,NA | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | * | 2 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 2 | 5 | 3 | 2 | 4 | 2 | 1 | 5 | 3 | 1 | 4 | 4 | 2 |
| Next 4-6 months | 7 | 6 | 7 | 4 | 6 | 6 | 5 | 7 | 6 | 5 | 7 | 7 | 5 |
| Next 7-9 months | 7 | 2 | 3 | 5 | 3 | 8 | 10 | 6 | 7 | 5 | 6 | 7 | 6 |
| 10 months or more | 5 | 3 | 7 | 5 | 4 | 4 | 6 | 3 | 5 | 6 | 2 | 3 | 7 |
| DK,NA | 4 | 5 | 6 | 4 | 4 | 5 | 4 | 3 | 3 | 4 | 4 | 6 | 5 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

## TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | June 1981 | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 66% | 64% | 59% | 67% | 70% | 66% | 64% | 67% | 68% | 70% | 67% | 63% | 68% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 37 | 35 | 34 | 33 | 38 | 34 | 33 | 36 | 37 | 38 | 39 | 34 | 37 |
| Would buy used | 27 | 27 | 23 | 31 | 29 | 29 | 29 | 30 | 28 | 31 | 26 | 28 | 29 |
| DK,NA | 2 | 2 | 2 | 3 | 3 | 3 | 2 | 1 | 3 | 1 | 2 | 1 | 2 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 5 | 4 | 7 | 5 | 5 | 7 | 6 | 7 | 5 | 10 | 5 | 5 | 6 |
| 2 years | 20 | 19 | 18 | 23 | 20 | 18 | 22 | 23 | 22 | 22 | 21 | 20 | 25 |
| 3 years | 11 | 11 | 10 | 10 | 11 | 8 | 9 | 12 | 11 | 11 | 12 | 11 | 13 |
| 4 years or more | 20 | 18 | 18 | 21 | 24 | 19 | 19 | 19 | 22 | 21 | 22 | 19 | 16 |
| Indefinite | 5 | 5 | 1 | 2 | 4 | 4 | 3 | 3 | 1 | 1 | 1 | 2 | 3 |
| DK,NA | 5 | 7 | 5 | 6 | 6 | 10 | 5 | 3 | 7 | 5 | 6 | 6 | 5 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

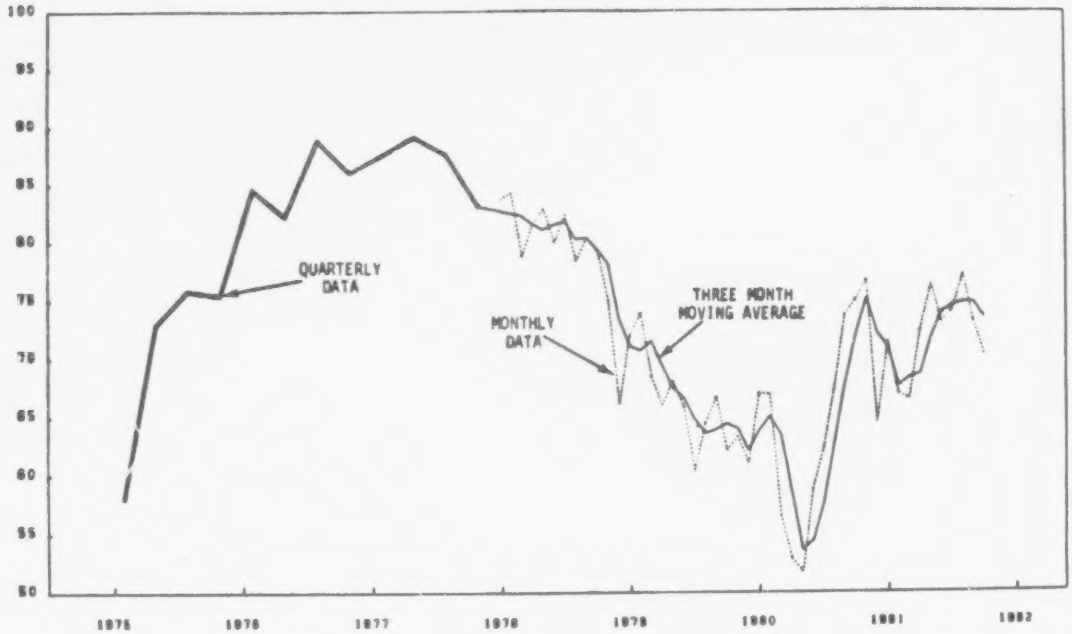
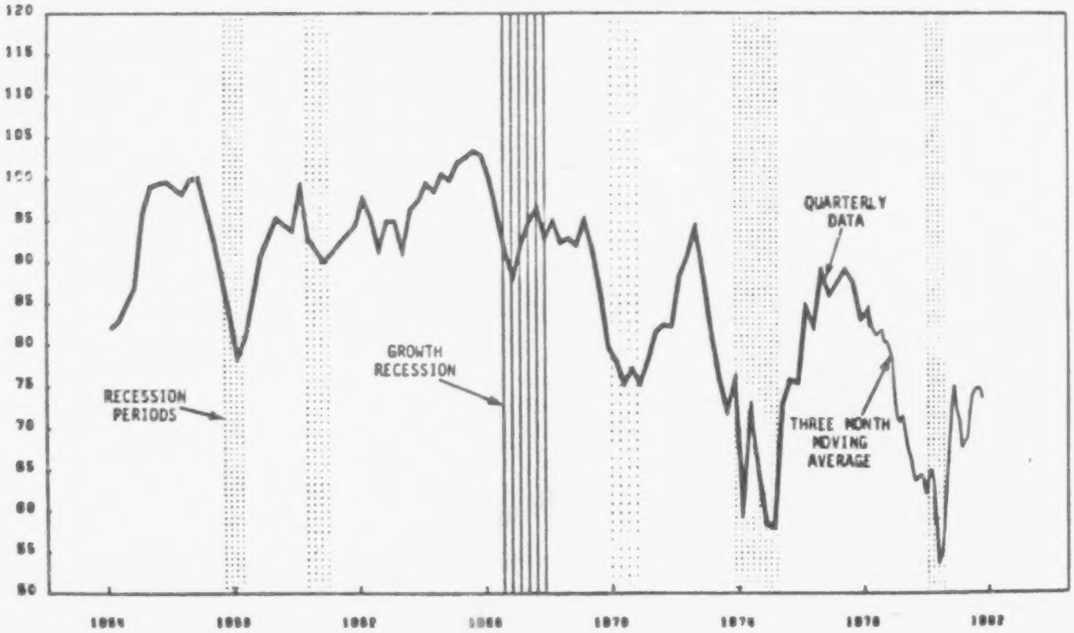


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

## TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 -

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

# SUMMARY

U7475-2

July 2, 1982

JUNE 1982 MONTHLY REPORT

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## CONFIDENCE IN GOVERNMENT ECONOMIC POLICY DECLINES

** In the June 1982 survey, the Index of Consumer Sentiment was 65.7, down from 67.5 in May and 73.1 in June 1981. Less favorable business expectations were the primary reasons for the decline in sentiment. Among families with incomes of $25,000 or more, the Index of Consumer Sentiment was 72.9 in June 1982, down from 74.8 in May, and 82.9 in the year earlier survey.

** Personal financial attitudes improved markedly during 1981 due to lower inflation rates and expected tax declines. Since the start of 1982, however, personal financial attitudes have posted no further improvement.

** Unemployment remained the dominant concern of consumers in the June 1982 survey. Almost half expected unemployment to further increase in the year ahead, and compared with inflation, unemployment was viewed as the more serious economic problem facing the nation by almost a three-to-one margin (64 versus 23 percent).

** In the June 1982 survey, two-thirds of all families expected bad times financially in the economy as a whole during the next 12 months, and over half expected bad times during the next five years. Favorable business expectations declined sharply during the last half of 1981, and have remained largely unchanged at low levels in the first half of 1982.

** Confidence in government economic policy declined to its lowest level since President Reagan entered office. In the June survey, more than twice as many respondents rated economic policy designed to combat inflation and unemployment as poor rather than good (35 versus 16 percent), a sharp reversal from a year earlier when the balance of opinion was favorable (25 versus 18 percent).

** Attitudes toward buying conditions for houses, vehicles, and large household durables continue to be dominated by aversions to high interest rates. Significant shifts in perceived price trends have resulted in reducing motives to buy in advance of rising prices, while price discounts have become a more potent force in shading favorable attitudes.

* * *

Consumer sentiment has remained largely unchanged during the first half of 1982, following significant improvement during the last half of 1981. At the present time, there are sharp divergences between evaluations of current economic conditions (which have remained near record low levels) and expectations for future improvement (which are generally favorable). The persistence of high interest rates and high levels of unemployment has led to the loss of confidence in government economic policies. On balance, these data continue to indicate that the pace of recovery in consumer sales will be slow and uneven.

Monitoring Economic Change Program
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## Financial Outlook Unchanged

While the personal financial situation of American consumers improved significantly during the last half of 1981 from record low levels, financial attitudes have remained largely unchanged in the first half of 1982. In June 1982 families more frequently reported that compared to a year earlier they were worse rather than better off financially (38 versus 30 percent). Reports of income declines fell to 18 percent in June 1982 from a 20-year high of 23 percent in April 1982. Expected changes in personal finances remained at the more favorable level established in late 1981, but have not posted further improvement since the start of 1982. In the June survey, the proportion of families that expected an improvement in their financial situation was nearly twice the proportion that expected deterioration (34 versus 18 percent). real income expectations were more favorable in mid-1982 than during the past five years--in June 61 percent expected their family income to at least keep pace with inflation. This improvement has been largely due to declines in inflation, rather than improvement in nominal income expectations. In the June 1982 survey, fewer families than in mid-1981 expected income increases of 10% or more (27 percent, down from 32 percent), and more frequently expected income declines (17 percent, up from 11 percent).

## Business Outlook Dims

Unemployment continued to dominate the news heard and recalled by respondents about recent business developments--44 percent mentioned having heard of increases in unemployment. This represented the fifth consecutive month that 40 percent or more mentioned unemployment. In the June 1982 survey, 82 percent of all respondents thought that business conditions had worsened during the past year, significantly above the 49 percent recorded in June 1981. During the first half of 1982, the proportion that reported worsened business conditions has averaged 81 percent. In the June 1982 survey, nearly half of all families expected unemployment to increase in the year ahead (48 percent), up from about one-third in June 1981 (36 percent). Overall, nearly three times as many families thought that unemployment rather than inflation represented the more serious economic problem facing the nation (64 versus 23 percent) in the June 1982 survey. This heightened concern with unemployment has been maintained since the beginning of 1982.

The outlook for business conditions in the year ahead was less favorable in the June 1982 survey than one month or one year earlier. Among all families, 37 percent expected business conditions to improve during the year ahead, down from 39 percent in May, and just above the 36 percent recorded in 1981. The proportion that expected business conditions to worsen rose to 26 percent in June, from 20 percent in May and 19 percent in June 1981. When asked to explain why they thought business conditions would improve or worsen, fewer respondents made spontaneous favorable references to government economic policies in June 1982 than at any time during the past year (11 percent, down from 25 percent in June 1981). This was the first time in eighteen months that a higher proportion made more unfavorable than favorable references to government policies, although the margin of difference was small (12 versus 11 percent). Overall confidence in government economic policies to combat inflation and unemployment fell to its lowest level since President Reagan entered office. More than twice as many respondents rated the government's economic policy as poor rather than good (35 versus 16 percent), a sharp decline from a year ago when the balance of opinion was favorable by the margin of 25 to 18 percent.

## High Interest Rates Block Buying

Since the beginning of 1982, attitudes toward buying conditions for large household durables have become less favorable. The proportion holding favorable attitudes about buying durables fell from 57 to 43 percent, while the proportion holding unfavorable buying attitudes rose from 33 to 44 percent. The decline during the first half of 1982 was due to fewer mentions of low prices (from 32 to 27 percent), and more frequent references to high interest rates (from 18 to 24 percent). In addition, motives to buy-in-advance of rising prices fell from 22 to 14 percent as concern with inflation declined.

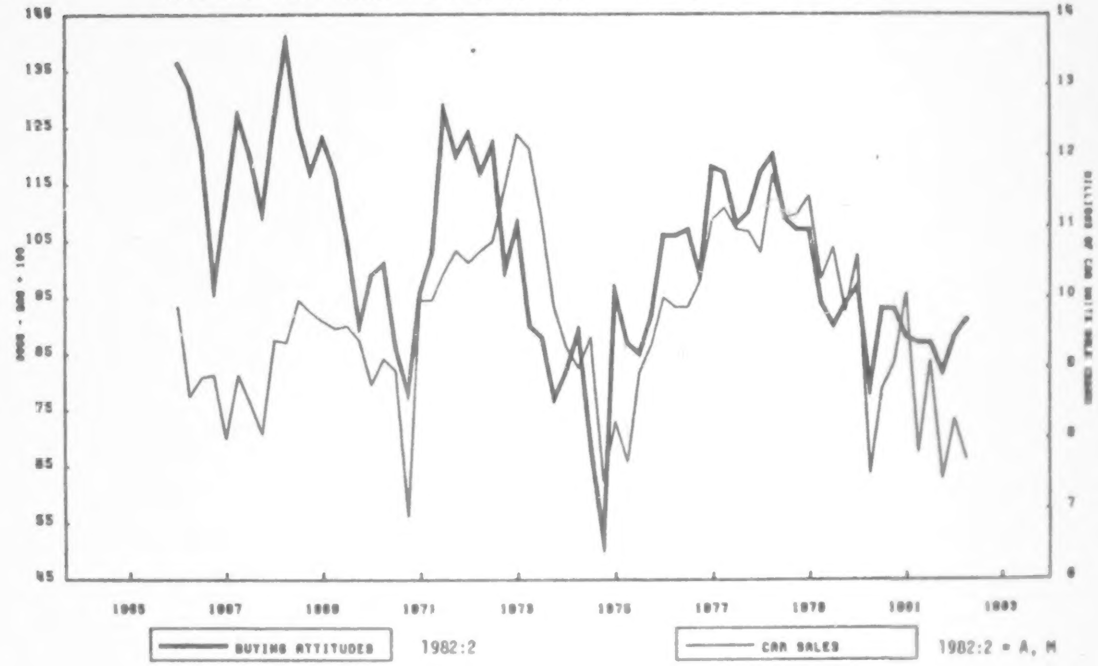
Attitudes toward buying conditions for houses remained near record low levels in the June 1982 survey. Among all families, 72 percent thought buying conditions for houses were unfavorable in the June 1982 survey, identical to the June 1981 reading. During the past eighteen months, the average proportion that rated house buying conditions as unfavorable was 74 percent, setting records in both the depth and duration of unfavorable attitudes. The single major reasons given by consumers for these unfavorable views have been high interest rates--mentioned by 75 percent of all respondents in the June 1982 survey. Despite these negative overall ratings of house buying conditions, the impact of price trends on attitudes has changed dramatically: fewer consumers mentioned buy-in-advance rationales in the June 1982 survey that at any time in the last decade (4 percent in June 1982, for the third consecutive month, down from a peak of 47 percent in May 1977). At the same time, respondents during the past three months more frequently mentioned the availability of good buys and lower prices than at time since the early 1960s (15 percent in June 1982).

Buying attitudes toward cars declined in the June 1982 survey from one month earlier, but remained on balance somewhat more favorable than a year earlier. Among all families, 40 percent rated car buying conditions favorably in the June 1982 survey, down from 44 percent in May, and above the 33 percent recorded in June 1981. The proportion holding unfavorable attitudes rose to 54 percent in June 1982, from 46 percent in May, but remained below the 57 percent recorded in June 1981. On balance, car buying attitudes have fluctuated within a narrow range at low levels during the past year. The major reasons for the recent decline in favorable attitudes have been fewer references to price discounts and rebates (from 36 to 32 percent) and fewer references to interest rate incentives (from 11 to 7 percent) in the June 1982 survey, and more frequent mentions of high prices (from 27 to 33 percent). High interest rates continued to be mentioned by near record proportions in the June 1982 survey (27 percent, somewhat below the record 31 percent recorded in September 1981).

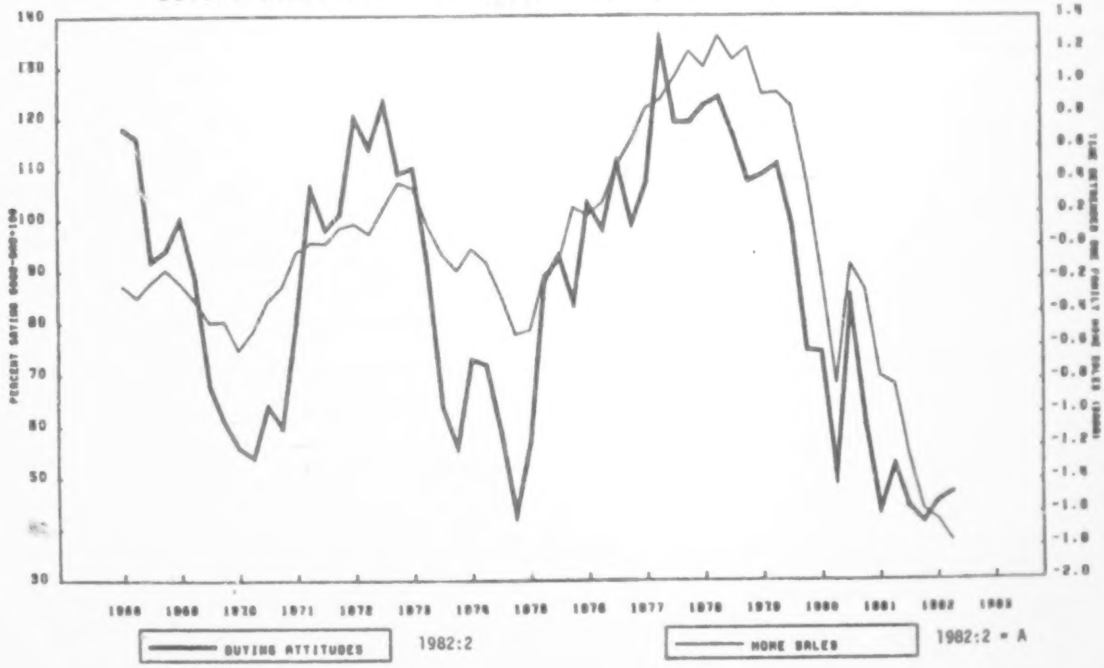
* * *

The June 1982 survey included 703 interviews conducted between May 27 and June 23, 1982.

BUYING ATTITUDES FOR CARS AND TOTAL UNIT CAR SALES



BUYING CONDITIONS FOR HOUSES AND TOTAL HOME SALES



# APPENDIX

## REVISED ESTIMATES OF PRICE EXPECTATIONS

During the past several years price expectations have declined considerably, and by early 1982 one-in-three respondents expected prices to remain unchanged or decline during the year ahead. Although the questionnaire wording refers to changes in the level of prices, some respondents could misinterpret the question as referring to the rate of inflation. In this event, a "same" response would not indicate a zero rate of increase, but the perceived past rate of inflation. The net effect would be to bias downward the estimated overall mean rate of expected inflation. Because of the greatly increased frequency of "same" responses in recent months, the March through June 1982 surveys specifically probed respondents that initially gave "same" responses as to whether they meant the rate or the level of prices would remain the same. Of the 33 percent that initially reported "same" responses in June, 23 percent replied that they meant prices would remain at the same level, but 10 percent replied that they meant prices would increase at the same rate (see Table A). Consequently, the estimated proportion of families in June that expected price increases rose from 58 to 68 percent following the use of this probe.

When respondents were probed for the percentage rate that they meant by the "same rate," the extent of bias in the estimated mean price increases due to the misinterpretation of "same" responses was +0.8 percentage points in the June 1982 survey (5.1% mean increase when initial "same" responses were coded as a zero rate of inflation versus 5.9% after the adjustment). The extent of the potential bias is dependent on the overall frequency of "same" responses. For example, in March 1979 only 3 percent reported that they expected prices to remain "the same," while the June 1982 survey recorded 33 percent "same" responses, a level exceeded in only two other surveys during the past 20 years. Consequently, the bias in estimated means is unlikely to exceed 1.0 percentage points.

Preliminary adjustments to the surveys conducted prior to March 1982 were established as follows: the ratio of "same rate" to "same level" responses observed from March through June 1982 was used to estimate the proportion of "same rate" responses in earlier surveys. The estimated proportion of "same rate" responses were then recoded from a zero rate of inflation to the mean percentage response among those that expected price increases.

As shown in Table B the new estimated mean was only 0.1 percentage points higher in the March 1979 survey, but has averaged between 0.6 and 0.8 percentage points during the past year.

## TABLE A

## NEW MEASURES OF PRICE EXPECTATIONS

| | Expected Price Changes During the Next Year | | | |
|---|---|---|---|---|
| | March 1982 | April 1982 | May 1982 | June 1982 |
| Increase | 57% | 55% | 51% | 58% |
| Same rate | 9 | 9 | 10 | 10 |
| Same level | 22 | 22 | 27 | 23 |
| Go down | 10 | 11 | 9 | 7 |
| DK; NA | 2 | 3 | 3 | 2 |
| Total | 100% | 100% | 100% | 100% |

---

The questions were: "During the next 12 months do you think that prices in general will go up, or go down, or stay where they are now?" (IF SAME) "Do you mean that prices will go up at the same rate as now, or that prices in general will not go up during the next 12 months?" (IF UP/DOWN OR SAME RATE) "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

## TABLE B

## EXPECTED PRICE CHANGES DURING THE NEXT YEAR

| Survey Dates | | Old Series | New Preliminary Estimates | Difference |
|---|---|---|---|---|
| March | 1979 | 9.7% | 9.8% | 0.1 |
| March | 1980 | 12.0 | 12.4 | 0.4 |
| March | 1981 | 7.0 | 7.5 | 0.5 |
| April | 1981 | 8.1 | 8.8 | 0.7 |
| May | 1981 | 7.6 | 8.2 | 0.6 |
| June | 1981 | 6.6 | 7.3 | 0.6 |
| July | 1981 | 6.7 | 7.4 | 0.7 |
| August | 1981 | 6.5 | 7.1 | 0.6 |
| September | 1981 | 7.5 | 8.3 | 0.8 |
| October | 1981 | 7.2 | 7.9 | 0.7 |
| November | 1981 | 7.7 | 8.4 | 0.7 |
| December | 1981 | 5.6 | 6.3 | 0.7 |
| January | 1982 | 5.4 | 6.2 | 0.8 |
| February | 1982 | 5.3 | 6.1 | 0.8 |
| March | 1982 | 5.3 | 6.0 | 0.7 |
| April | 1982 | 4.7 | 5.4 | 0.7 |
| May | 1982 | 4.3 | 5.0 | 0.7 |
| June | 1982 | 5.1 | 5.9 | 0.8 |

1

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# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

JULY 1982

MONITORING
ECONOMIC CHANGE
PROGRAM

SURVEY RESEARCH CENTER
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# TABLES AND CHARTS

## JULY 1982

The July 1982 survey is the 166th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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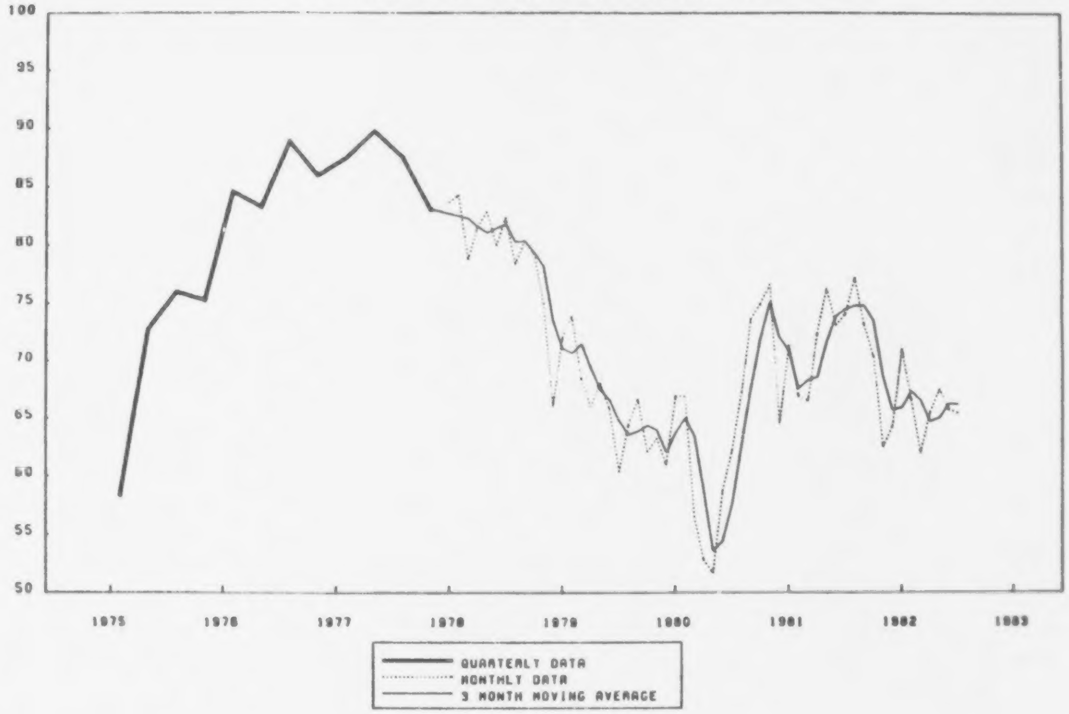
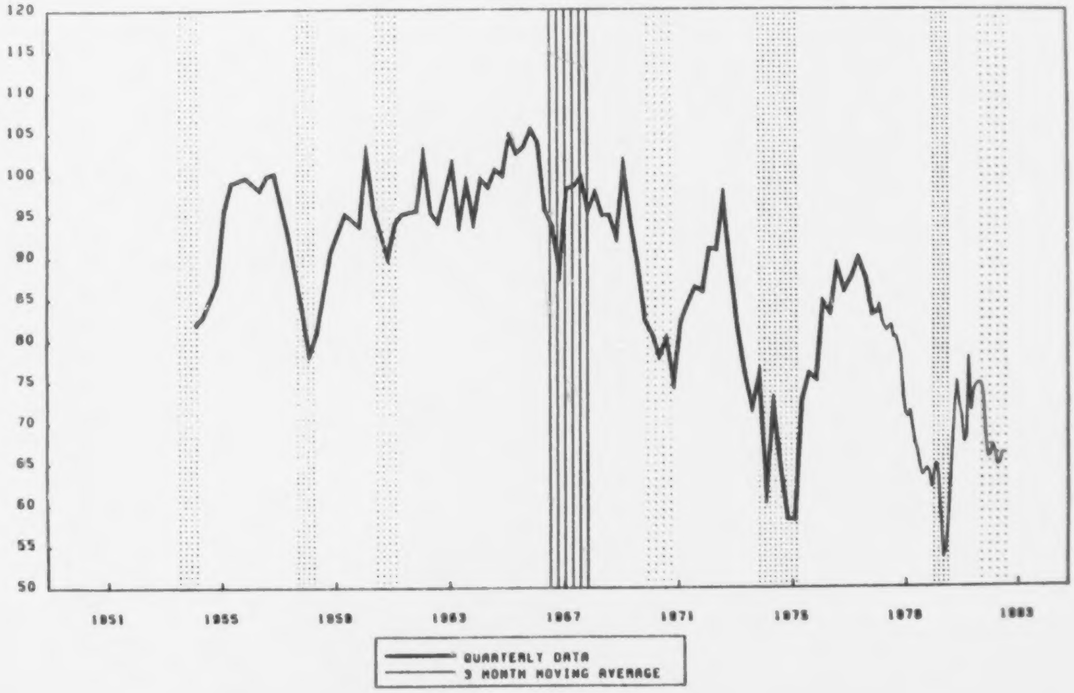
## CHART 1 - RECENT CHANGES
## THE INDEX OF CONSUMER SENTIMENT



## CHART 1 - HISTORICAL SERIES
## THE INDEX OF CONSUMER SENTIMENT



## TABLE 1

## THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|---|
| July | 1979 | 60.4 | 67.2 | 68.0 |
| August | 1979 | 64.5 | 70.0 | 71.3 |
| September | 1979 | 66.7 | 71.6 | 74.4 |
| October | 1979 | 62.1 | 65.6 | 65.5 |
| November | 1979 | 63.3 | 68.3 | 69.9 |
| December | 1979 | 61.0 | 66.2 | 73.2 |
| January | 1980 | 67.0 | 70.8 | 70.9 |
| February | 1980 | 66.9 | 70.8 | 73.5 |
| March | 1980 | 56.5 | 62.3 | 64.5 |
| April | 1980 | 52.7 | 54.2 | 57.2 |
| May | 1980 | 51.7 | 55.2 | 53.3 |
| June | 1980 | 58.7 | 61.6 | 63.7 |
| July | 1980 | 62.3 | 67.6 | 67.3 |
| August | 1980 | 67.3 | 70.9 | 74.2 |
| September | 1980 | 73.7 | 78.1 | 78.5 |
| October | 1980 | 75.0 | 76.3 | 78.7 |
| November | 1980 | 76.7 | 82.7 | 87.5 |
| December | 1980 | 64.5 | 66.9 | 68.6 |
| January | 1981 | 71.4 | 74.8 | 77.1 |
| February | 1981 | 66.9 | 74.2 | 77.5 |
| March | 1981 | 66.5 | 72.1 | 73.7 |
| April | 1981 | 72.4 | 77.1 | 78.0 |
| May | 1981 | 76.3 | 80.8 | 85.0 |
| June | 1981 | 73.1 | 81.2 | 82.9 |
| July | 1981 | 74.1 | 80.8 | 82.1 |
| August | 1981 | 77.2 | 82.7 | 85.0 |
| September | 1981 | 73.1 | 75.2 | 73.3 |
| October | 1981 | 70.3 | 74.5 | 77.9 |
| November | 1981 | 62.5 | 67.2 | 66.3 |
| December | 1981 | 64.3 | 71.0 | 71.1 |
| January | 1982 | 71.0 | 77.9 | 77.8 |
| February | 1982 | 66.5 | 71.5 | 72.8 |
| March | 1982 | 62.0 | 67.0 | 67.9 |
| April | 1982 | 65.5 | 71.5 | 73.2 |
| May | 1982 | 67.5 | 72.7 | 74.8 |
| June | 1982 | 65.7 | 71.4 | 72.9 |
| July | 1982 | 65.4 | 68.9 | 69.2 |

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

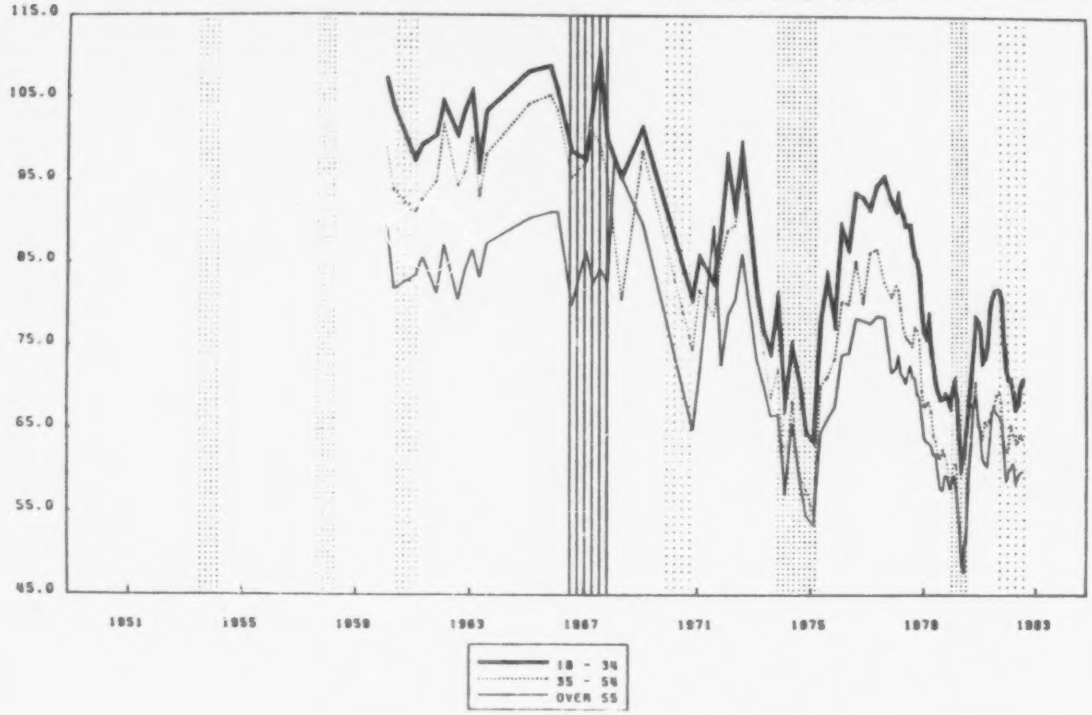
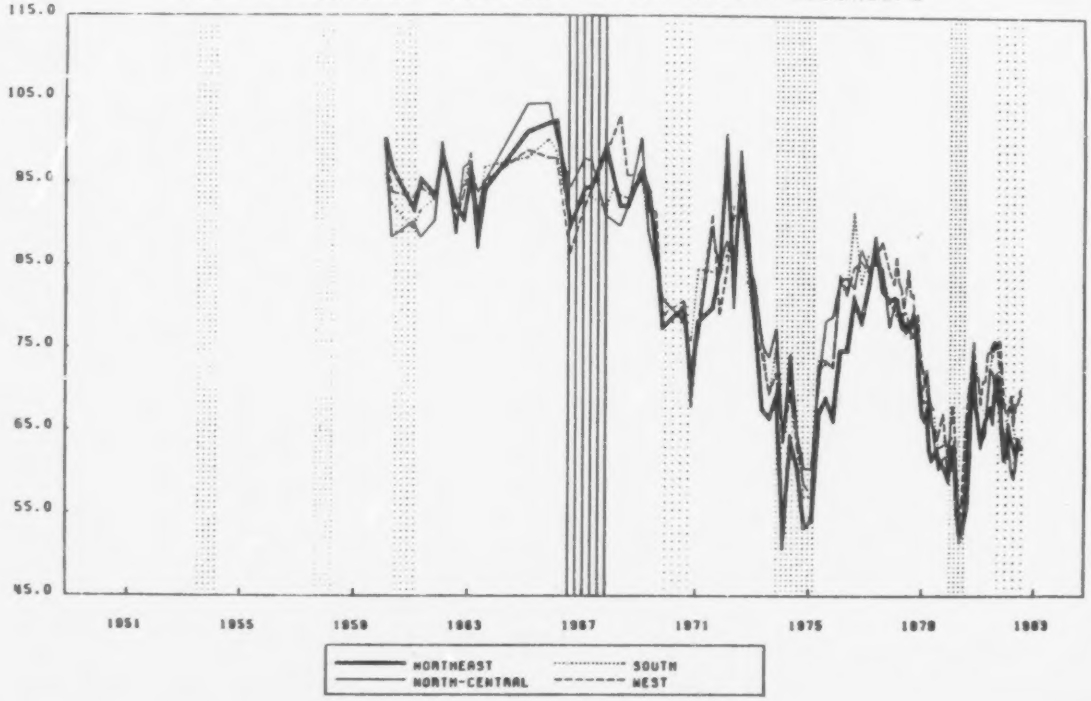


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS



# TABLE 2

## INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| DATE OF SURVEY | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|
| | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| July 1979 | 60.4 | 58.0 | 63.3 | 59.7 | 67.7 | 60.9 | 54.1 |
| August 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |
| January 1982 | 68.8 | 67.3 | 72.0 | 76.2 | 76.6 | 67.4 | 68.5 |
| February 1982 | 65.9 | 60.6 | 71.8 | 68.8 | 71.5 | 68.3 | 59.0 |
| March 1982 | 60.5 | 55.8 | 64.7 | 68.2 | 65.5 | 61.4 | 58.8 |
| April 1982 | 67.2 | 64.6 | 65.0 | 65.8 | 70.6 | 65.5 | 60.4 |
| May 1982 | 62.4 | 66.5 | 66.6 | 75.7 | 72.7 | 67.6 | 62.0 |
| June 1982 | 65.4 | 65.0 | 64.9 | 68.6 | 72.4 | 64.4 | 60.3 |
| July 1982 | 65.1 | 64.0 | 63.5 | 71.1 | 73.4 | 63.3 | 60.6 |

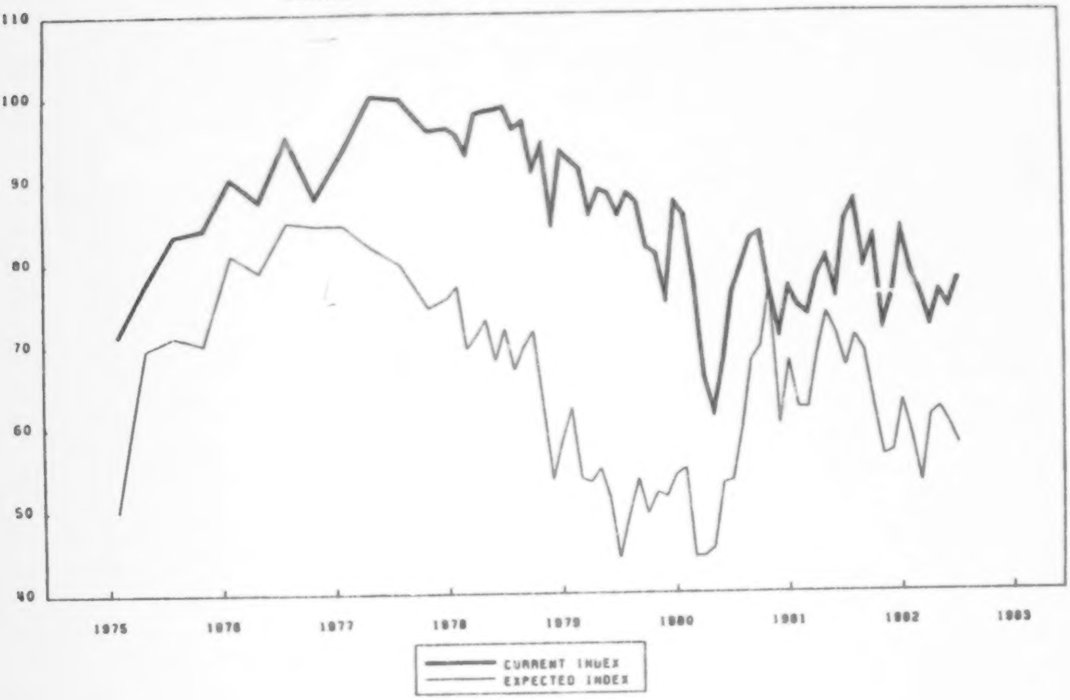


CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

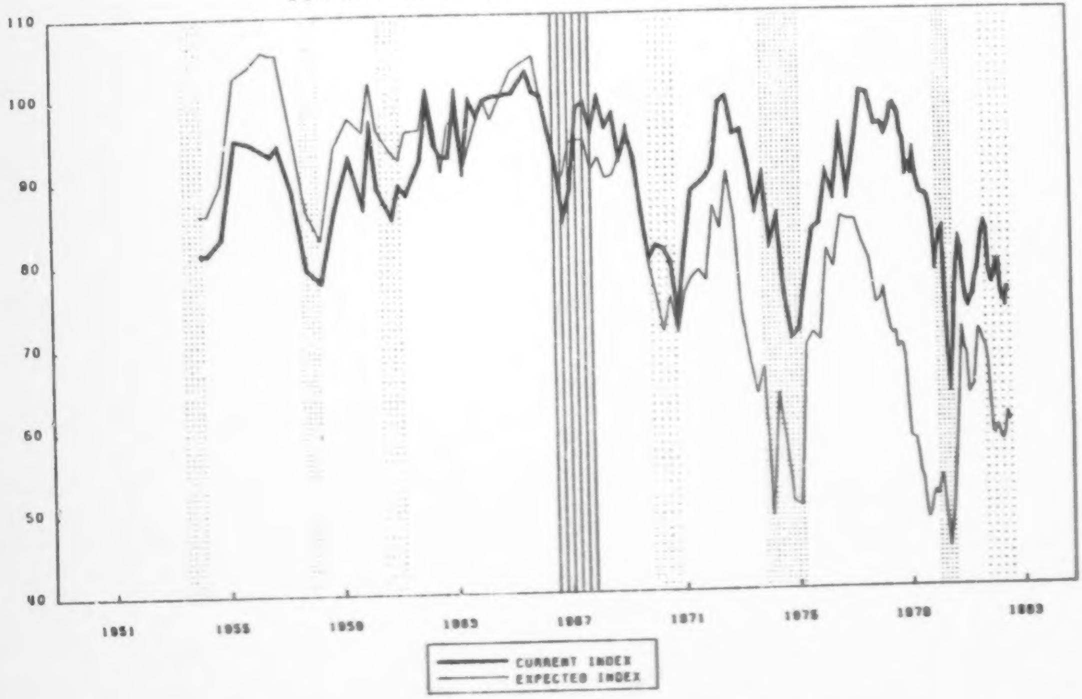


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

TABLE 3

## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | Buying conds. | Current Index | Expected Index |
| | Current | Expected | 12 months | 5 years | | | |
| DATE OF SURVEY | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| July 1979 | 90 | 92 | 39 | 40 | 130 | 85.7 | 44.2 |
| August 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |
| January 1982 | 92 | 115 | 66 | 70 | 124 | 83.5 | 62.9 |
| February 1982 | 91 | 112 | 56 | 65 | 111 | 78.6 | 58.7 |
| March 1982 | 89 | 106 | 44 | 60 | 106 | 75.9 | 53.1 |
| April 1982 | 87 | 111 | 62 | 70 | 99 | 72.3 | 61.1 |
| May 1982 | 94 | 113 | 62 | 72 | 102 | 76.1 | 62.0 |
| June 1982 | 92 | 116 | 58 | 65 | 99 | 74.3 | 60.1 |
| July 1982 | 90 | 113 | 53 | 63 | 110 | 77.5 | 57.6 |

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

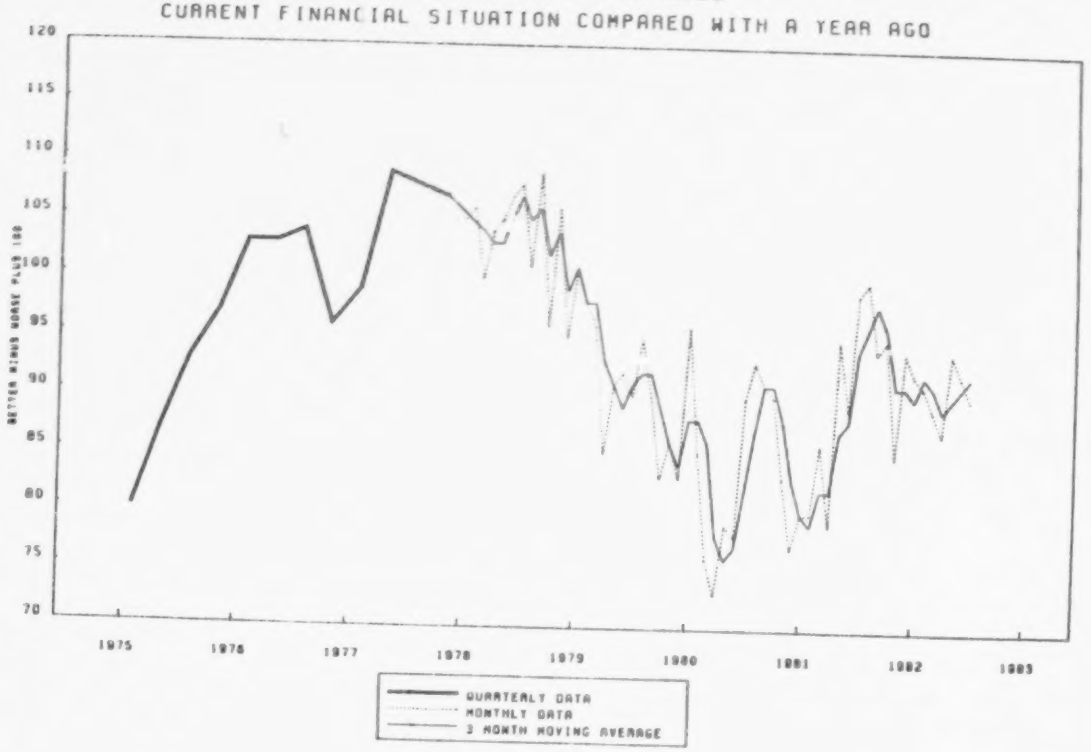
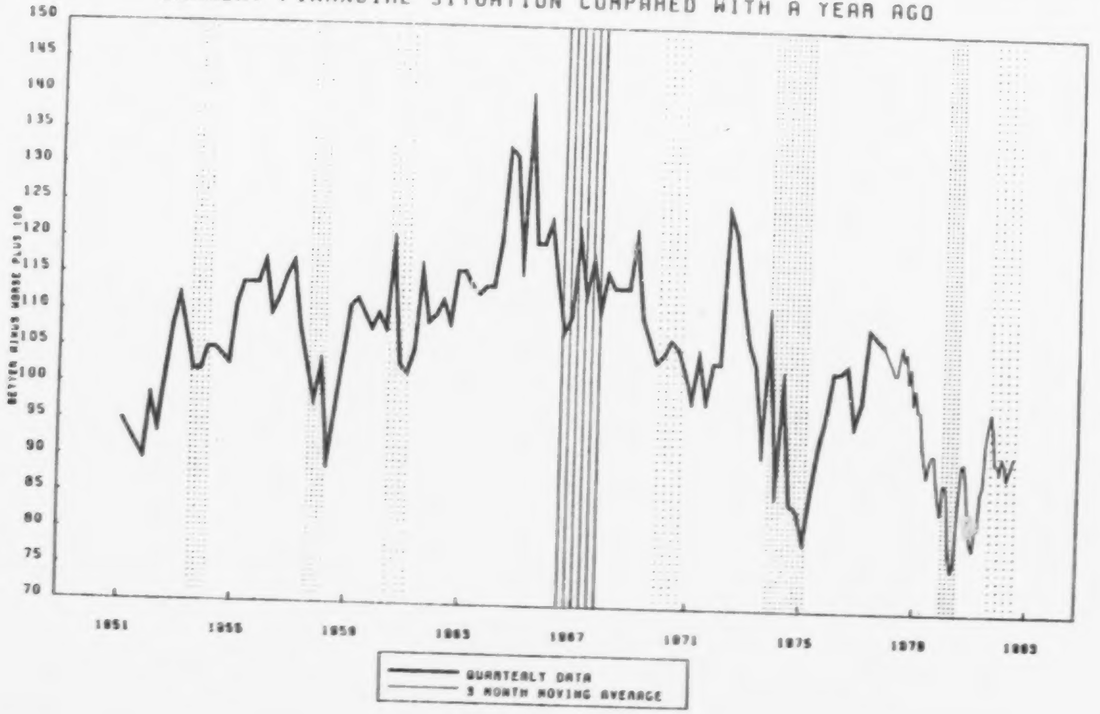


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

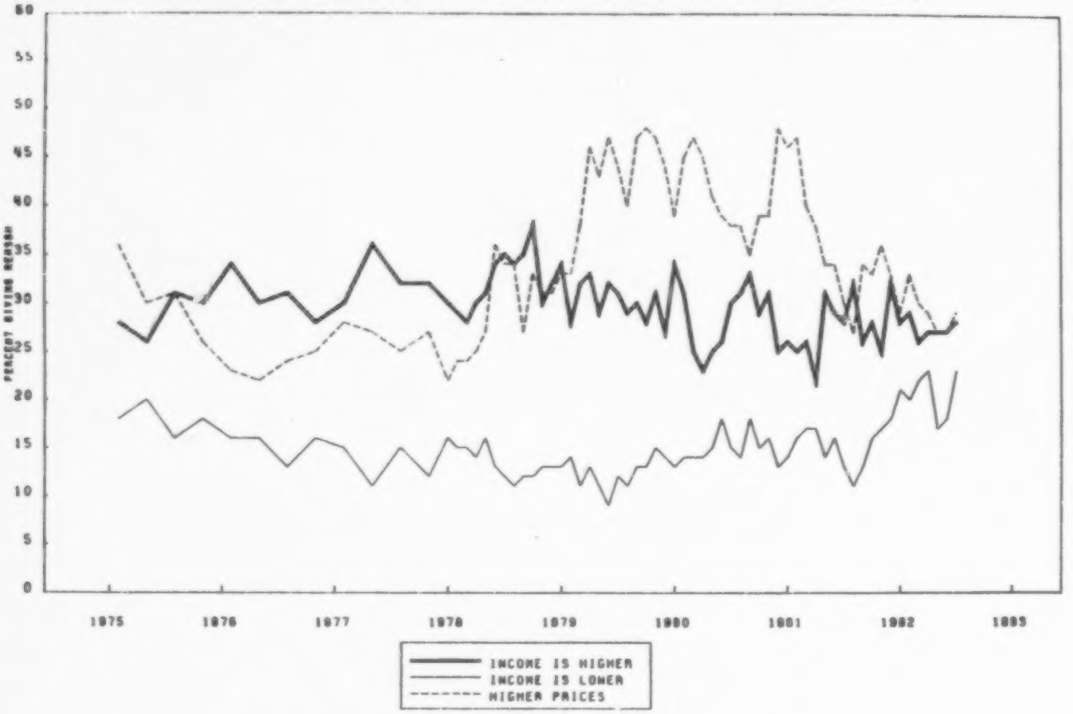
## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 34% | 33% | 32% | 31% | 29% | 32% | 32% | 30% | 31% | 27% | 31% | 30% | 31% |
| SAME | 30 | 33 | 29 | 32 | 27 | 29 | 28 | 30 | 27 | 33 | 32 | 32 | 28 |
| WORSE OFF | 35 | 33 | 38 | 36 | 44 | 38 | 40 | 39 | 42 | 40 | 37 | 38 | 41 |
| DK,NA | 1 | 1 | 1 | 1 | * | 1 | * | 1 | * | * | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

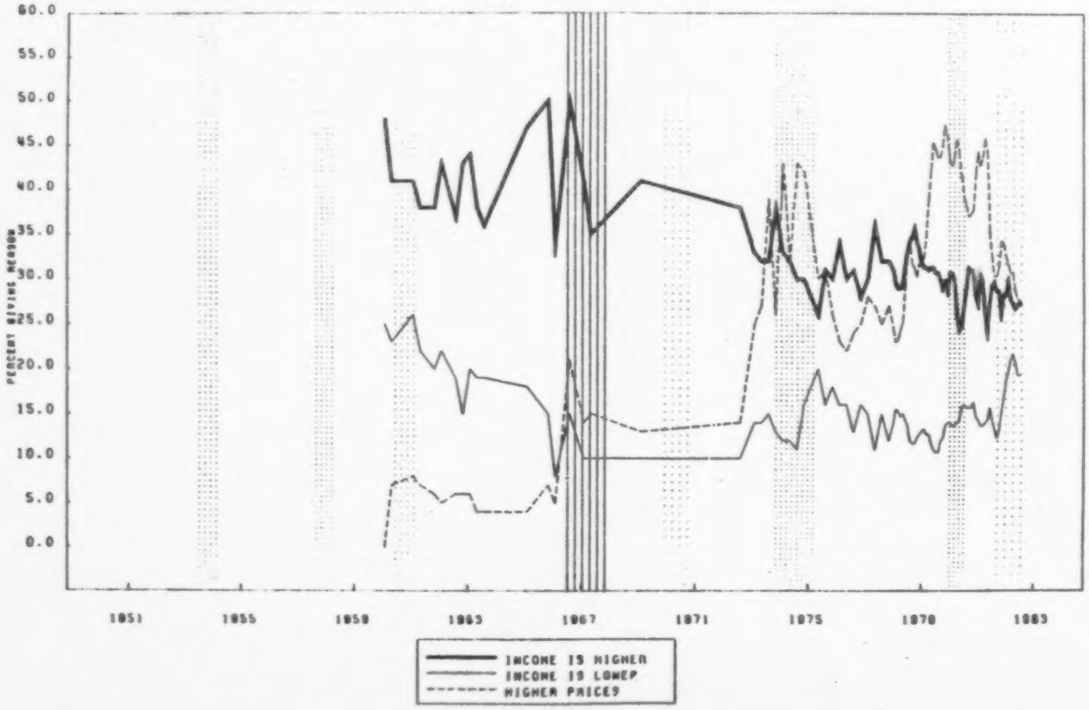
The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

## CHART 5 - RECENT CHANGES
## REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## CHART 5 - HISTORICAL SERIES
## REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 28% | 32% | 26% | 28% | 25% | 32% | 28% | 29% | 26% | 27% | 27% | 27% | 28% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 13 | 11 | 13 | 16 | 17 | 18 | 21 | 20 | 22 | 23 | 17 | 18 | 23 |
| Higher prices | 30 | 27 | 34 | 33 | 36 | 33 | 29 | 33 | 30 | 29 | 27 | 27 | 29 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

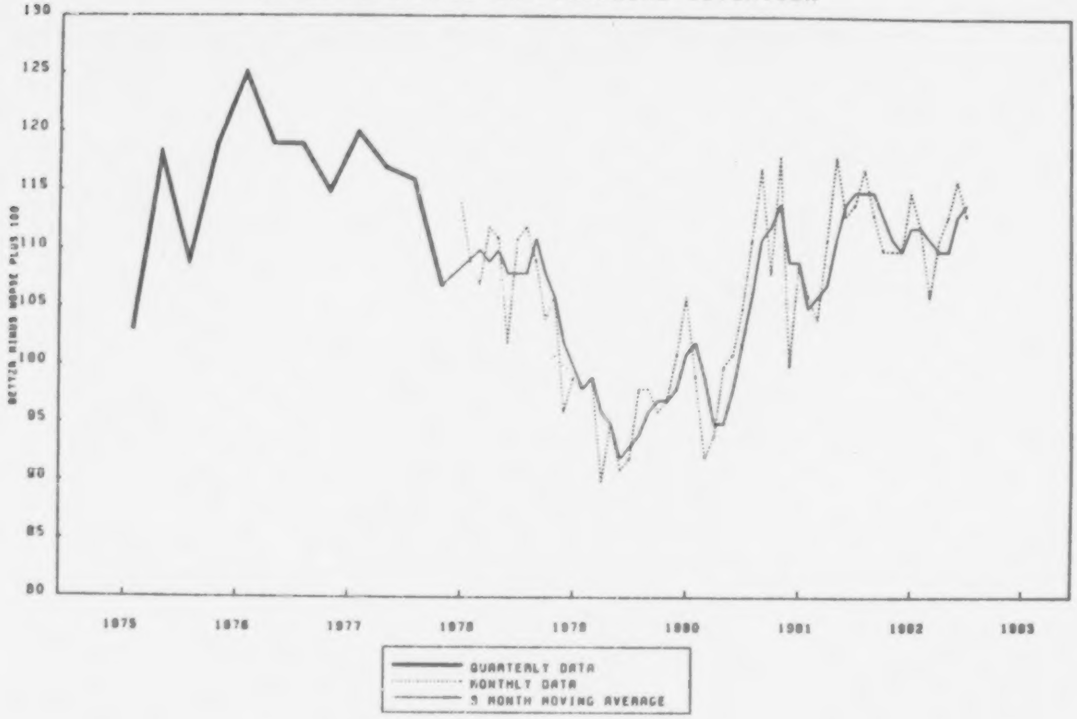
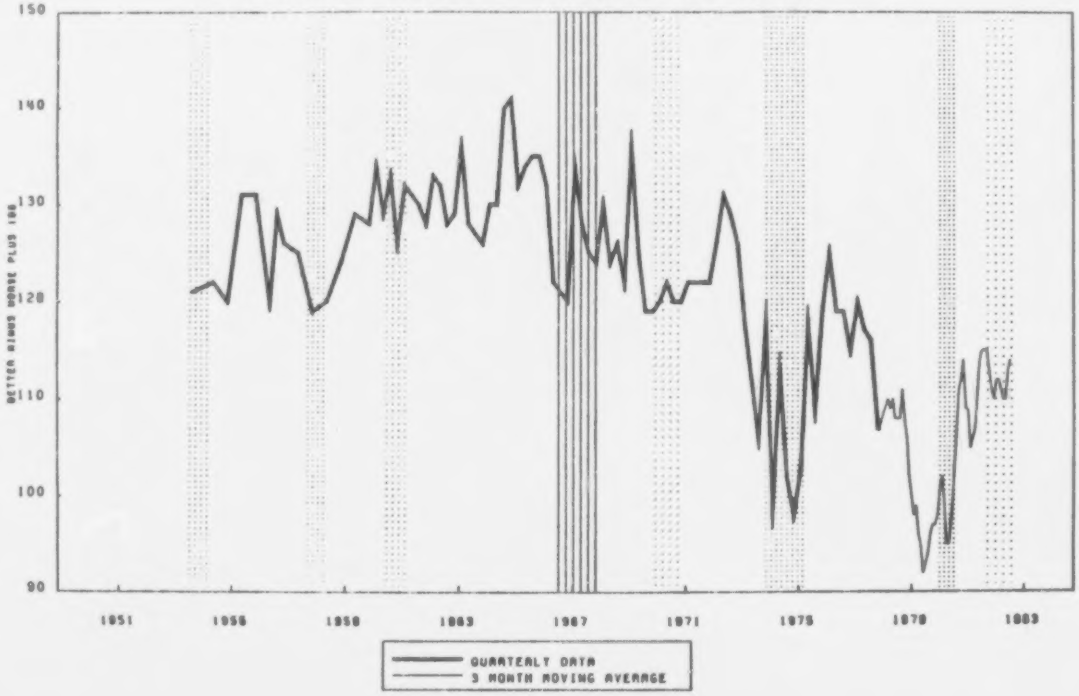


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION



## TABLE 6

## EXPECTED CHANGE IN FINANCIAL SITUATION

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 29% | 34% | 31% | 29% | 30% | 30% | 33% | 30% | 27% | 31% | 30% | 34% | 30% |
| SAME | 52 | 46 | 45 | 49 | 46 | 48 | 46 | 47 | 48 | 45 | 49 | 45 | 49 |
| WORSE OFF | 15 | 17 | 18 | 19 | 20 | 20 | 18 | 18 | 21 | 20 | 17 | 18 | 17 |
| DK,NA | 4 | 3 | 6 | 3 | 4 | 2 | 3 | 5 | 4 | 4 | 4 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

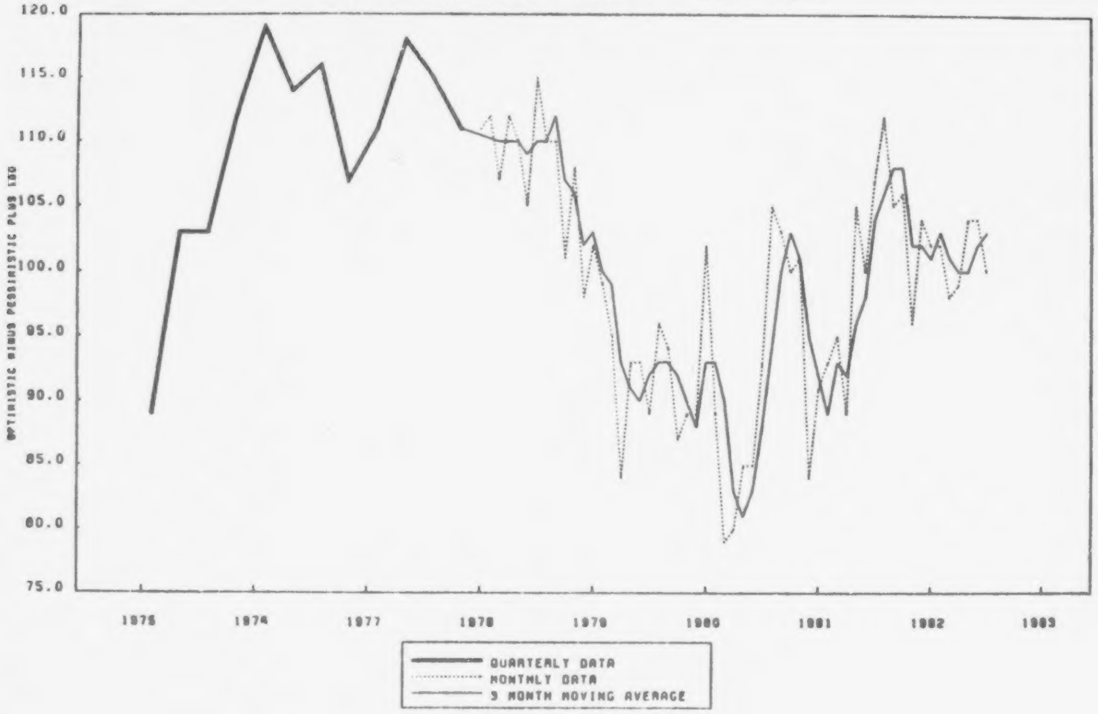
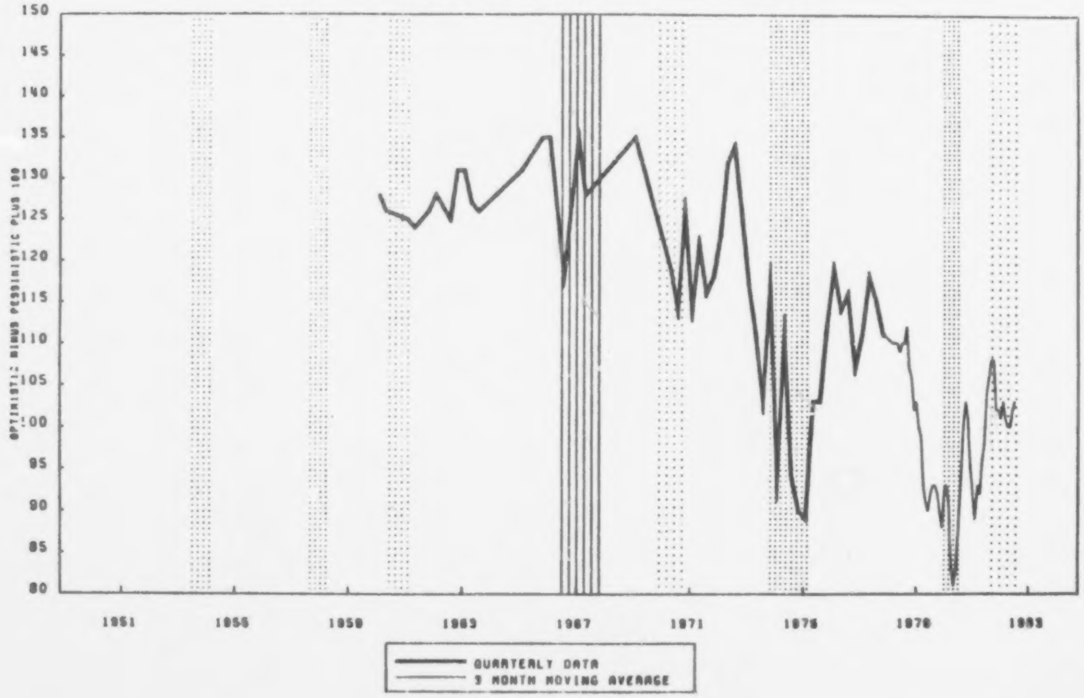


CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

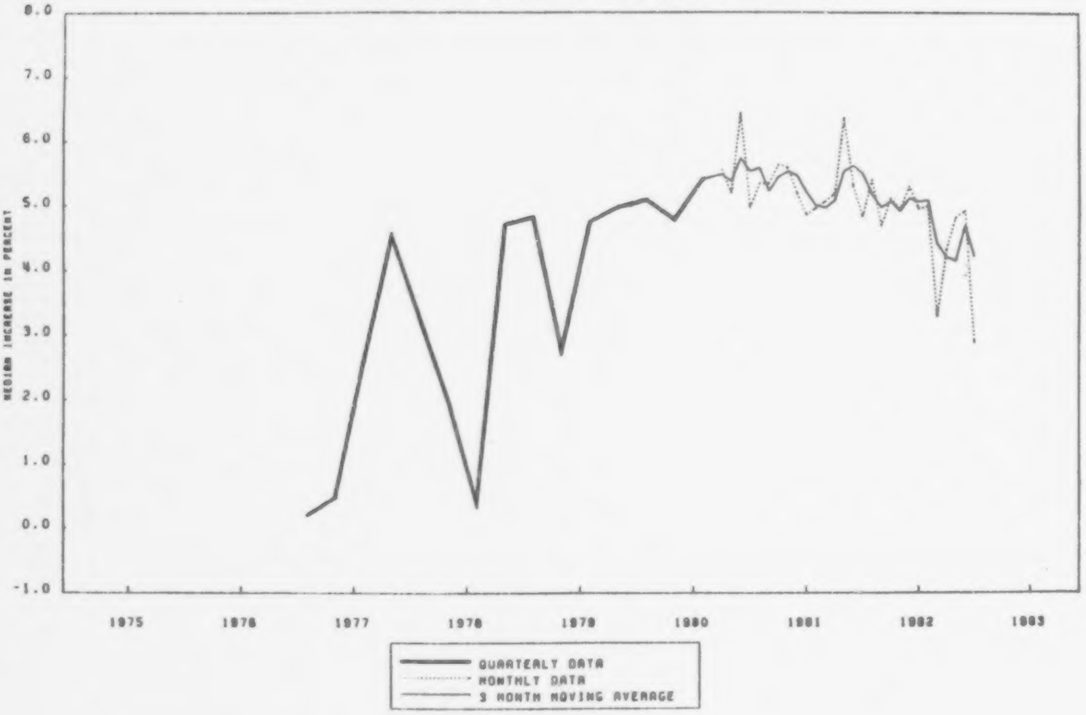
## TREND IN PERSONAL FINANCIAL SITUATION

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 15% | 14% | 16% | 13% | 13% | 13% | 15% | 15% | 11% | 12% | 14% | 14% | 15% |
| Intermittent increase (b) | 22 | 25 | 19 | 21 | 19 | 25 | 21 | 19 | 22 | 20 | 23 | 22 | 19 |
| Remain unchanged (c) | 19 | 18 | 17 | 21 | 14 | 14 | 15 | 18 | 14 | 17 | 17 | 16 | 17 |
| Intermittent decline (d) | 21 | 18 | 19 | 15 | 23 | 22 | 23 | 20 | 22 | 21 | 22 | 23 | 23 |
| Continuous decline (e) | 9 | 9 | 11 | 13 | 13 | 12 | 11 | 12 | 13 | 12 | 11 | 9 | 11 |
| Mixed change (f) | 9 | 12 | 12 | 14 | 14 | 11 | 12 | 11 | 14 | 14 | 9 | 13 | 11 |
| DK,NA | 5 | 4 | 6 | 3 | 4 | 3 | 3 | 5 | 4 | 4 | 4 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME



## TABLE 8

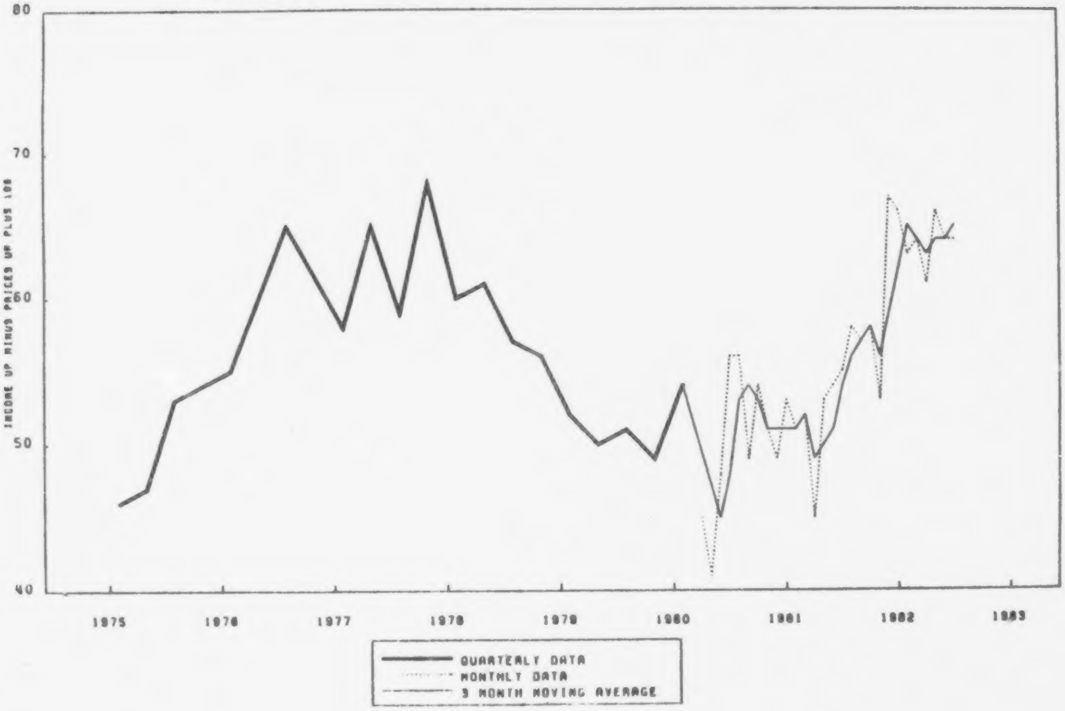
## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 7% | 5% | 6% | 6% | 5% | 5% | 7% | 5% | 5% | 7% | 5% | 6% | 9% |
| 5% | 7 | 8 | 9 | 10 | 9 | 9 | 10 | 9 | 8 | 10 | 9 | 11 | 8 |
| 6-9% | 10 | 9 | 10 | 13 | 8 | 10 | 11 | 12 | 9 | 8 | 11 | 13 | 10 |
| 10-24% | 21 | 27 | 23 | 21 | 23 | 24 | 22 | 22 | 19 | 19 | 20 | 20 | 17 |
| 25% or more | 10 | 6 | 6 | 6 | 8 | 8 | 7 | 6 | 7 | 7 | 8 | 7 | 6 |
| DK how much up | 5 | 6 | 6 | 6 | 4 | 6 | 4 | 6 | 6 | 6 | 7 | 4 | 6 |
| EXPECT SAME | 24 | 26 | 27 | 24 | 25 | 21 | 23 | 25 | 25 | 24 | 24 | 21 | 27 |
| EXPECT DOWN | 13 | 9 | 12 | 12 | 15 | 15 | 14 | 13 | 18 | 18 | 15 | 17 | 16 |
| DK,NA | 3 | 4 | 1 | 2 | 3 | 2 | 2 | 2 | 3 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR



# TABLE 9

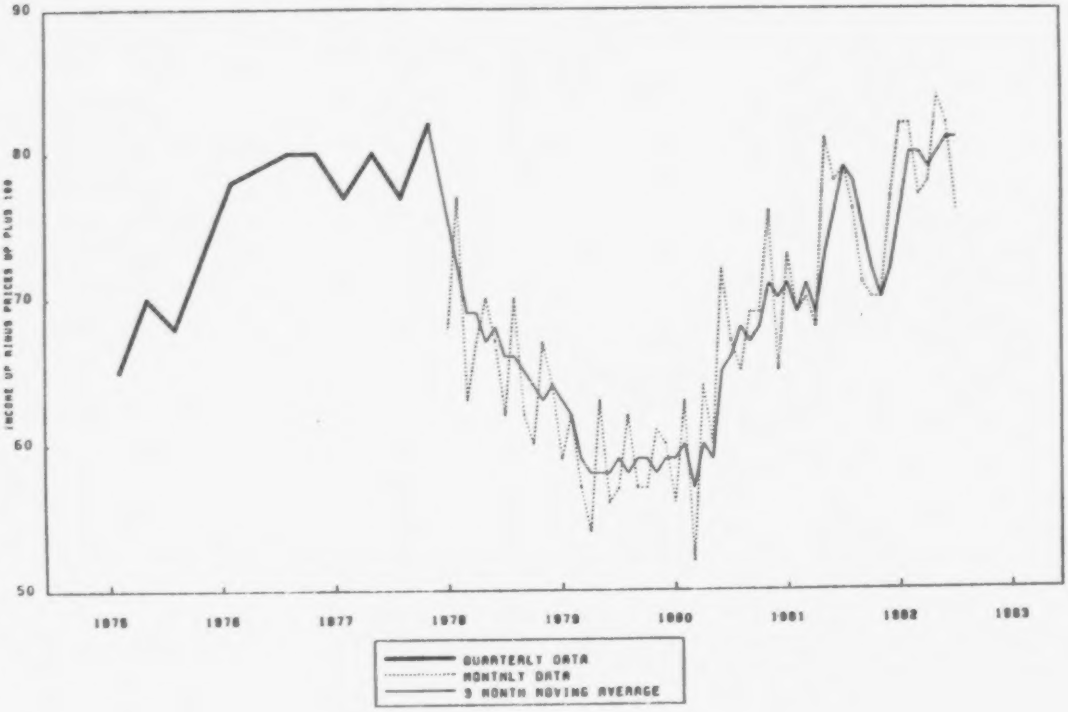
## PAST CHANGE IN REAL FAMILY INCOME

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 13% | 14% | 13% | 13% | 12% | 17% | 17% | 16% | 16% | 14% | 18% | 16% | 17% |
| INCOME UP SAME | 25 | 29 | 31 | 30 | 27 | 32 | 30 | 30 | 31 | 32 | 29 | 31 | 29 |
| PRICES UP MORE | 58 | 56 | 56 | 55 | 59 | 50 | 51 | 53 | 52 | 53 | 52 | 52 | 53 |
| DK,NA | 4 | 1 | * | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



## TABLE 10

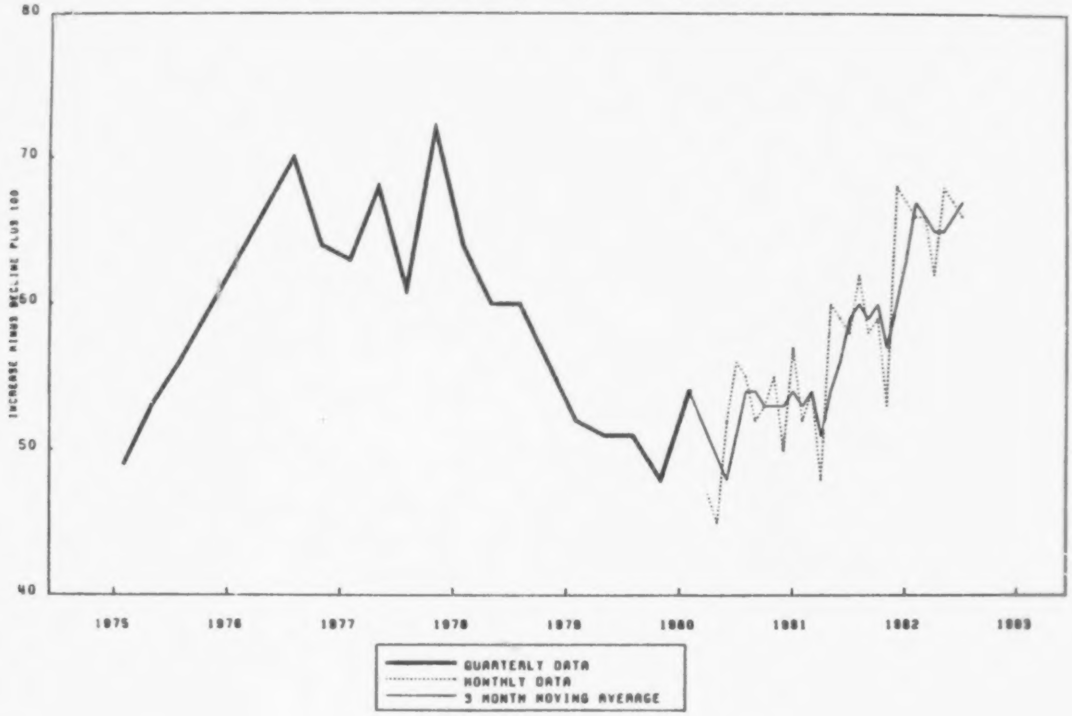
## EXPECTED CHANGE IN REAL FAMILY INCOME

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 17% | 16% | 13% | 14% | 13% | 17% | 17% | 20% | 16% | 17% | 19% | 18% | 16% |
| INCOME UP SAME | 41 | 40 | 42 | 40 | 41 | 41 | 45 | 40 | 41 | 42 | 43 | 43 | 41 |
| PRICES UP MORE | 38 | 40 | 42 | 44 | 43 | 40 | 35 | 38 | 39 | 39 | 35 | 36 | 40 |
| DK,NA | 4 | 4 | 3 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

## CHART 11 - RECENT CHANGES

## TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 8% | 7% | 5% | 5% | 5% | 8% | 9% | 9% | 7% | 8% | 10% | 8% | 8% |
| Intermittent increase (b) | 7 | 8 | 11 | 10 | 8 | 12 | 11 | 9 | 10 | 9 | 8 | 11 | 11 |
| Remain unchanged (c) | 16 | 20 | 19 | 18 | 17 | 19 | 19 | 20 | 20 | 19 | 20 | 19 | 19 |
| Intermittent decline (d) | 25 | 21 | 24 | 21 | 26 | 22 | 25 | 22 | 21 | 25 | 24 | 24 | 21 |
| Continuous decline (e) | 32 | 32 | 34 | 35 | 34 | 30 | 28 | 30 | 30 | 30 | 26 | 28 | 32 |
| Mixed change (f) | 7 | 8 | 4 | 8 | 6 | 6 | 5 | 8 | 8 | 6 | 9 | 7 | 5 |
| DK,NA | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 2 | 4 | 3 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

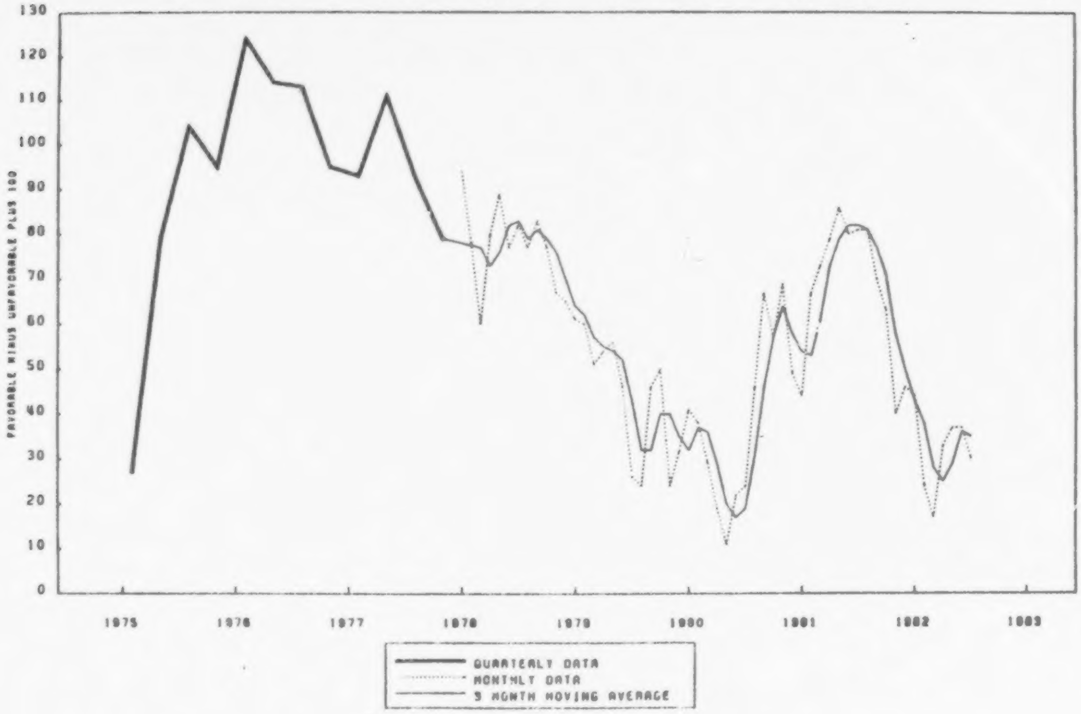
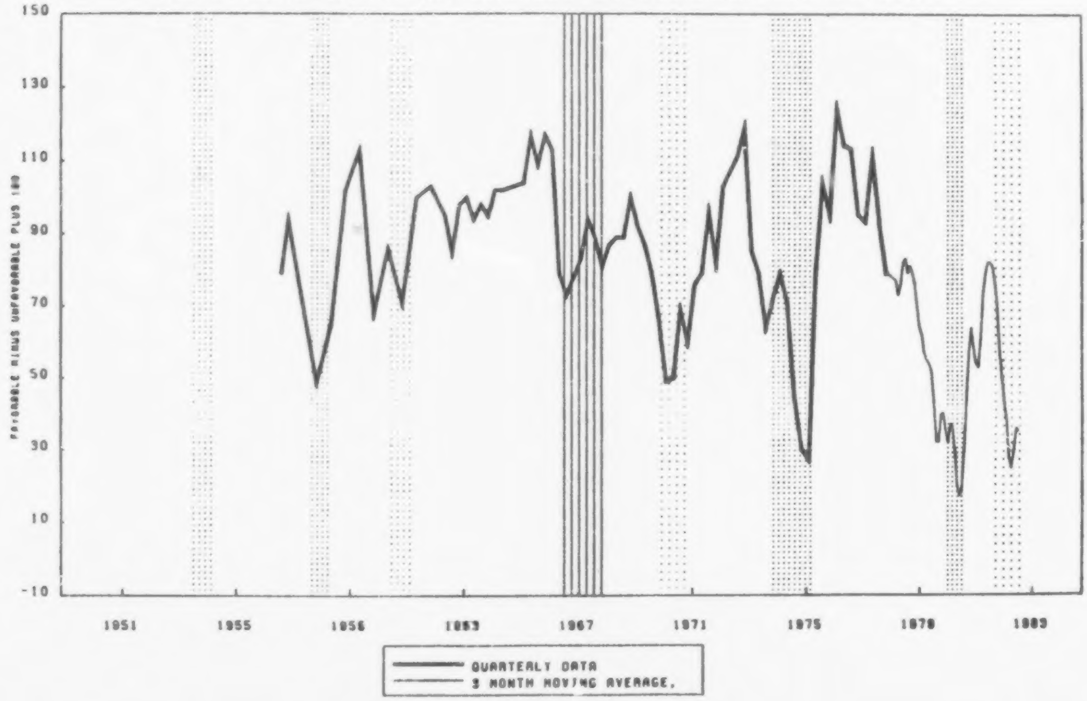


CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 27% | 28% | 24% | 22% | 14% | 23% | 23% | 20% | 18% | 23% | 23% | 24% | 20% |
| UNFAVORABLE NEWS | 46 | 47 | 55 | 59 | 74 | 77 | 79 | 96 | 101 | 90 | 86 | 87 | 90 |
| NO MENTIONS | 51 | 48 | 47 | 45 | 43 | 37 | 33 | 29 | 26 | 29 | 31 | 31 | 31 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES
NEWS HEARD ABOUT RECENT CHANGES IN BUSINESS CONDITIONS

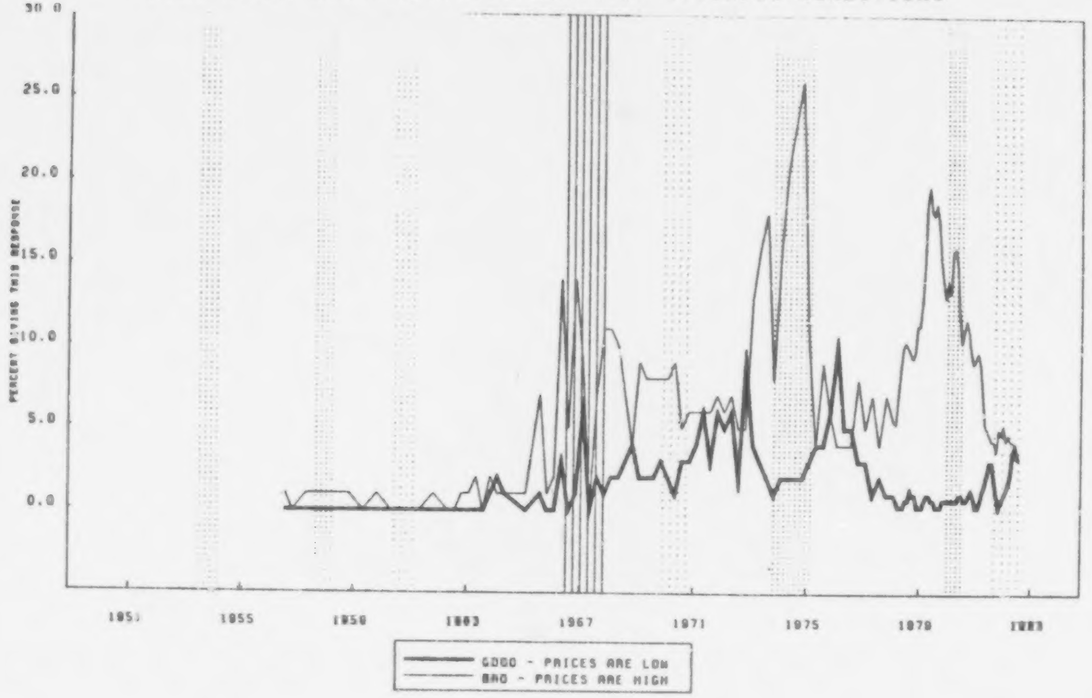


CHART 13B - HISTORICAL SERIES
NEWS HEARD ABOUT RECENT CHANGES IN BUSINESS CONDITIONS

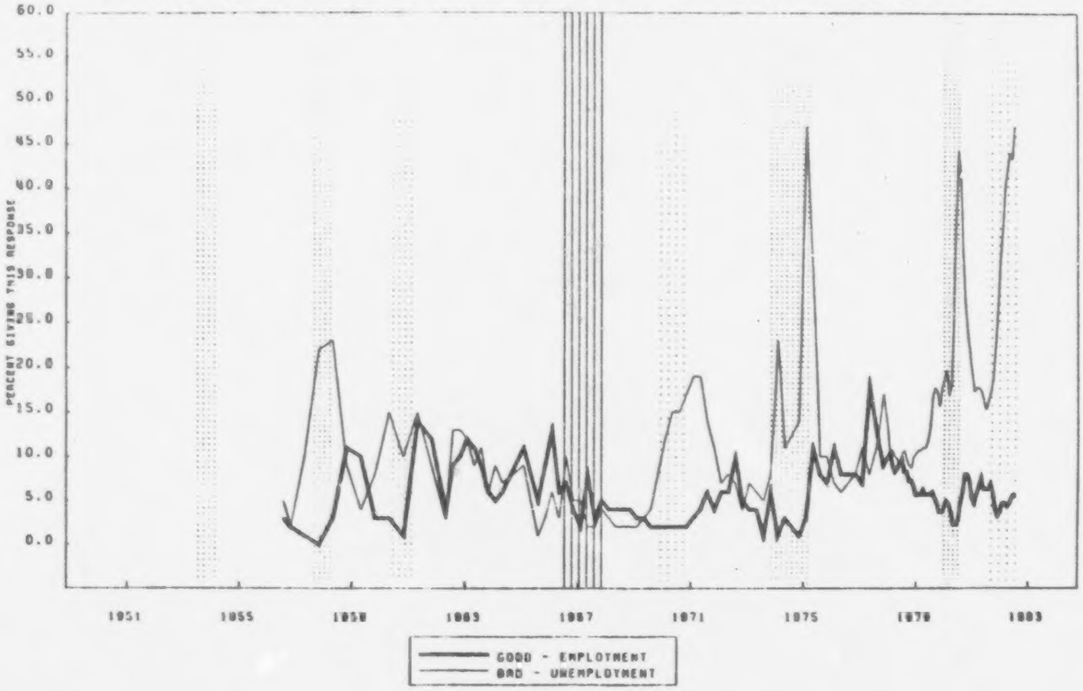


TABLE 13

## SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

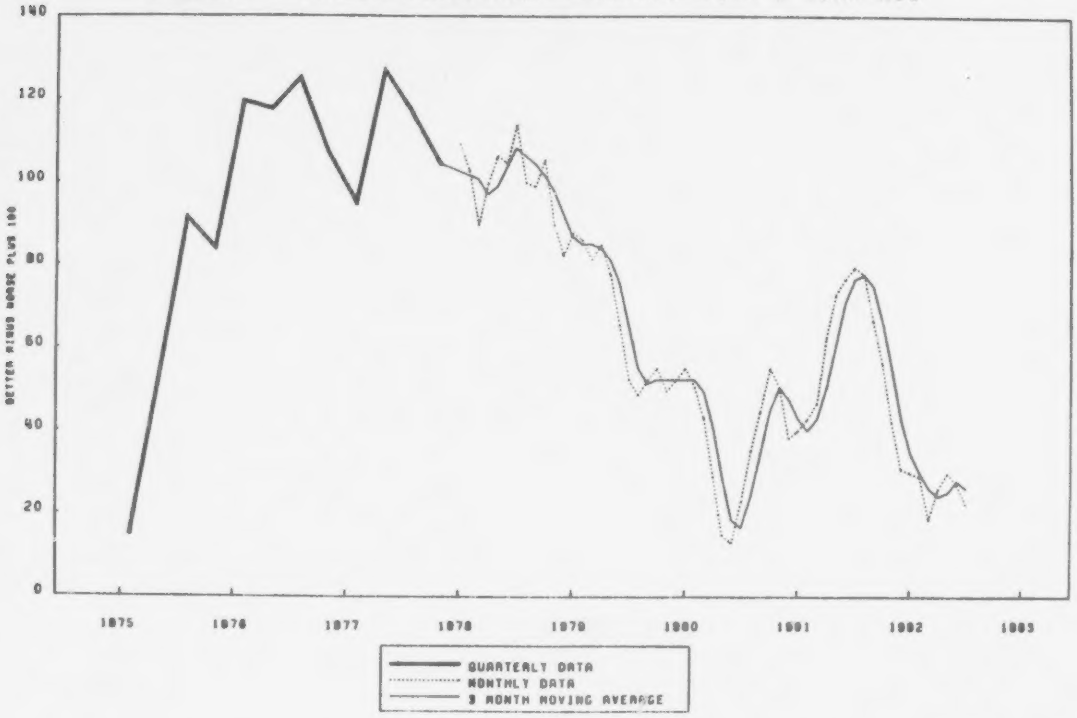
| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 4% | 7% | 8% | 5% | 3% | 4% | 4% | 3% | 4% | 2% | 2% | 2% | 2% |
| Employment | 7 | 8 | 6 | 4 | 2 | 4 | 5 | 5 | 4 | 4 | 6 | 6 | 5 |
| Consumer demand high | 3 | 2 | 1 | 1 | 1 | 1 | 1 | * | * | 2 | 2 | 3 | 2 |
| Prices are low | 4 | 2 | * | 1 | * | 1 | 2 | 1 | 2 | 4 | 5 | 3 | 2 |
| Credit is easy | 2 | 2 | 2 | 3 | 4 | 10 | 6 | 5 | 3 | 5 | 3 | 2 | 3 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 5 | 6 | 5 | 5 | 3 | 4 | 5 | 6 | 7 | 5 | 4 | 4 | 4 |
| Unemployment | 16 | 17 | 19 | 20 | 28 | 32 | 35 | 40 | 46 | 41 | 45 | 44 | 52 |
| Consumer demand low | 4 | 5 | 3 | 6 | 10 | 11 | 11 | 14 | 12 | 11 | 8 | 9 | 8 |
| Prices are high | 5 | 3 | 5 | 3 | 7 | 4 | 5 | 4 | 5 | 4 | 4 | 4 | 3 |
| Credit is tight | 7 | 7 | 10 | 10 | 11 | 8 | 6 | 8 | 10 | 10 | 6 | 8 | 9 |
| Energy crisis | * | 1 | 1 | * | * | * | * | * | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

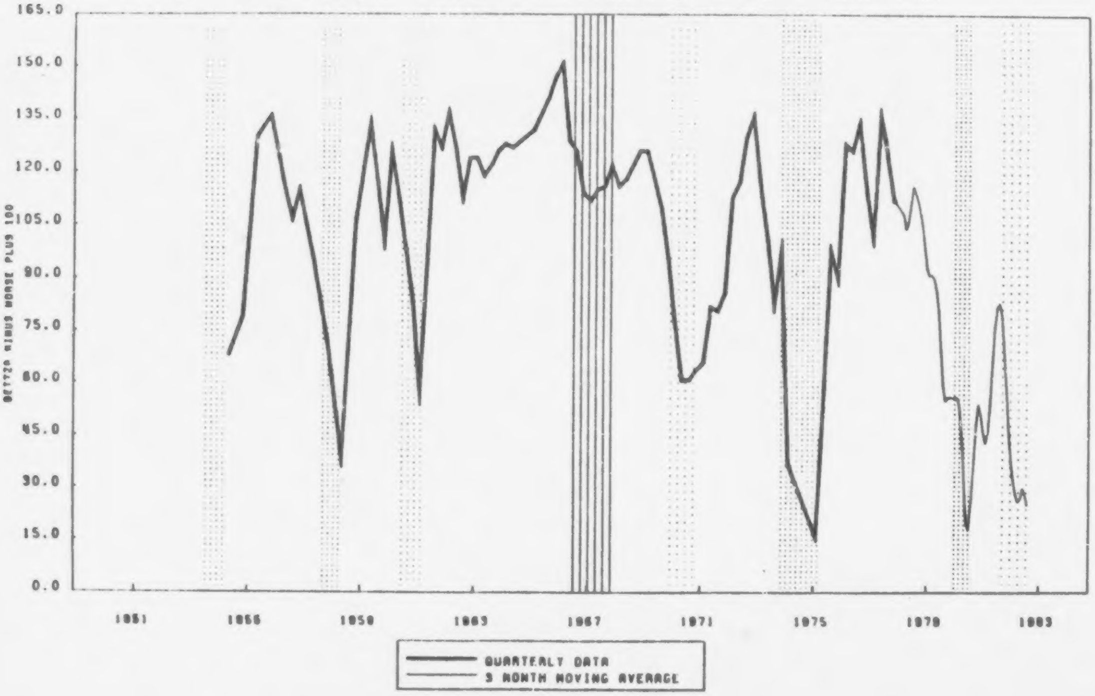
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

## CHART 14 - RECENT CHANGES
## CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## CHART 14 - HISTORICAL SERIES
## CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 32% | 33% | 28% | 23% | 15% | 13% | 11% | 11% | 7% | 9% | 12% | 11% | 7% |
| SAME | 18 | 15 | 12 | 12 | 12 | 6 | 8 | 8 | 5 | 9 | 6 | 6 | 8 |
| WORSE NOW | 47 | 50 | 57 | 63 | 70 | 80 | 79 | 80 | 87 | 81 | 80 | 82 | 83 |
| DK,NA | 3 | 2 | 3 | 2 | 3 | 1 | 2 | 1 | 1 | 1 | 2 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

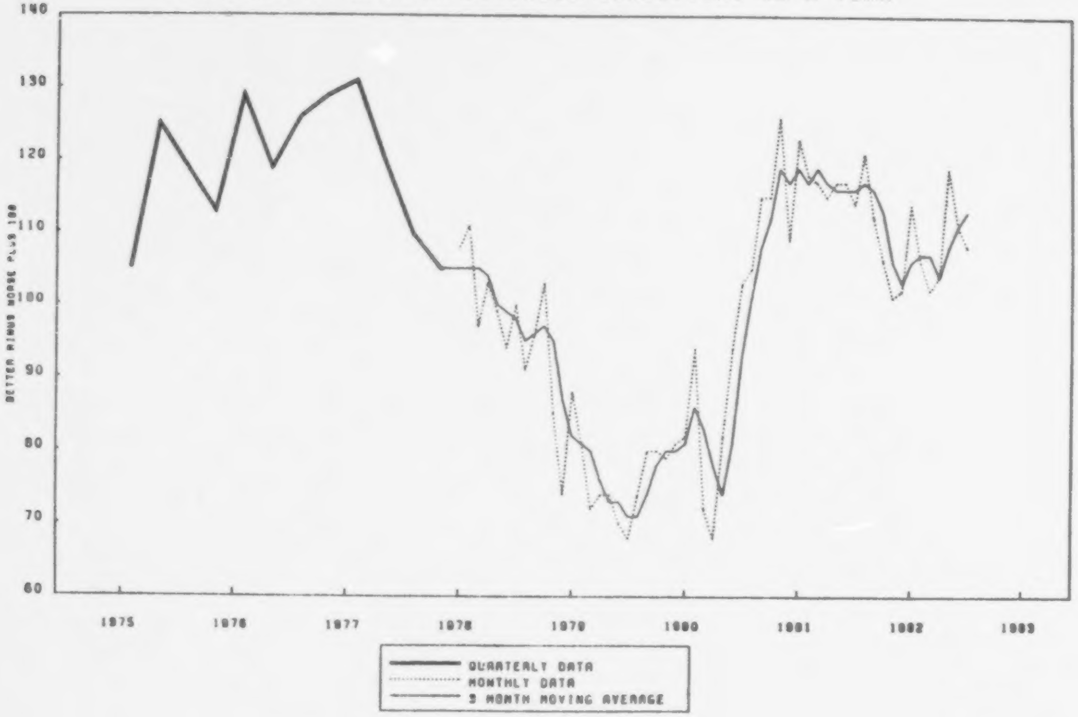
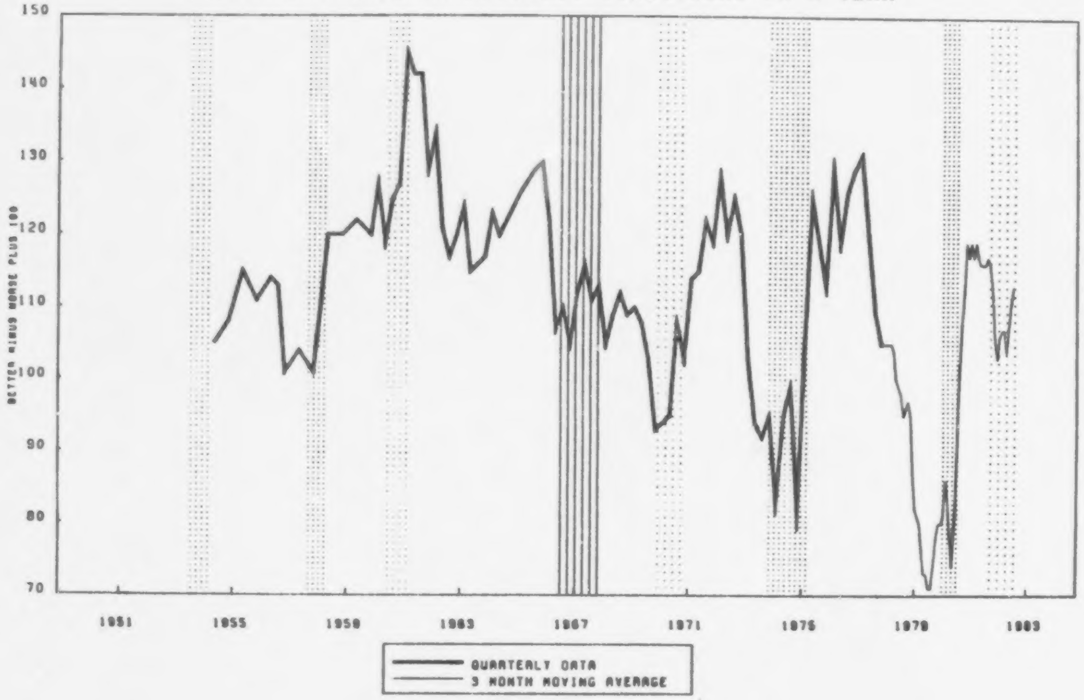


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 34% | 38% | 32% | 31% | 27% | 31% | 38% | 34% | 29% | 32% | 39% | 37% | 33% |
| SAME | 44 | 43 | 45 | 41 | 44 | 37 | 36 | 36 | 42 | 38 | 39 | 34 | 41 |
| WORSE | 20 | 17 | 19 | 25 | 26 | 29 | 24 | 28 | 27 | 28 | 20 | 26 | 25 |
| DK,NA | 2 | 2 | 4 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 3 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

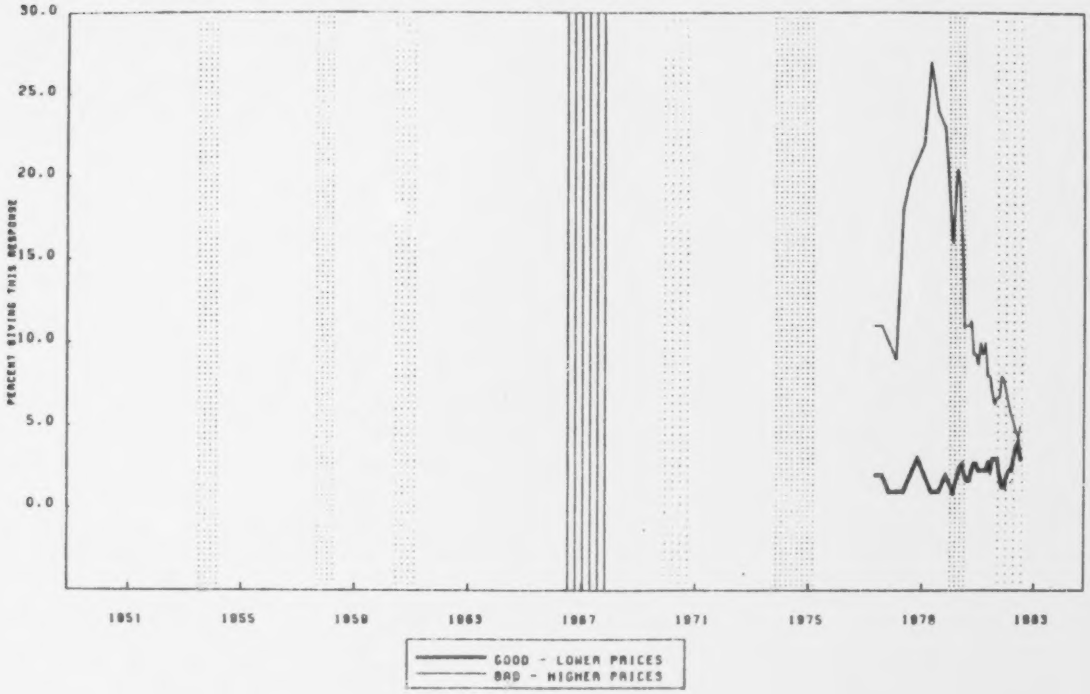


CHART 16B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

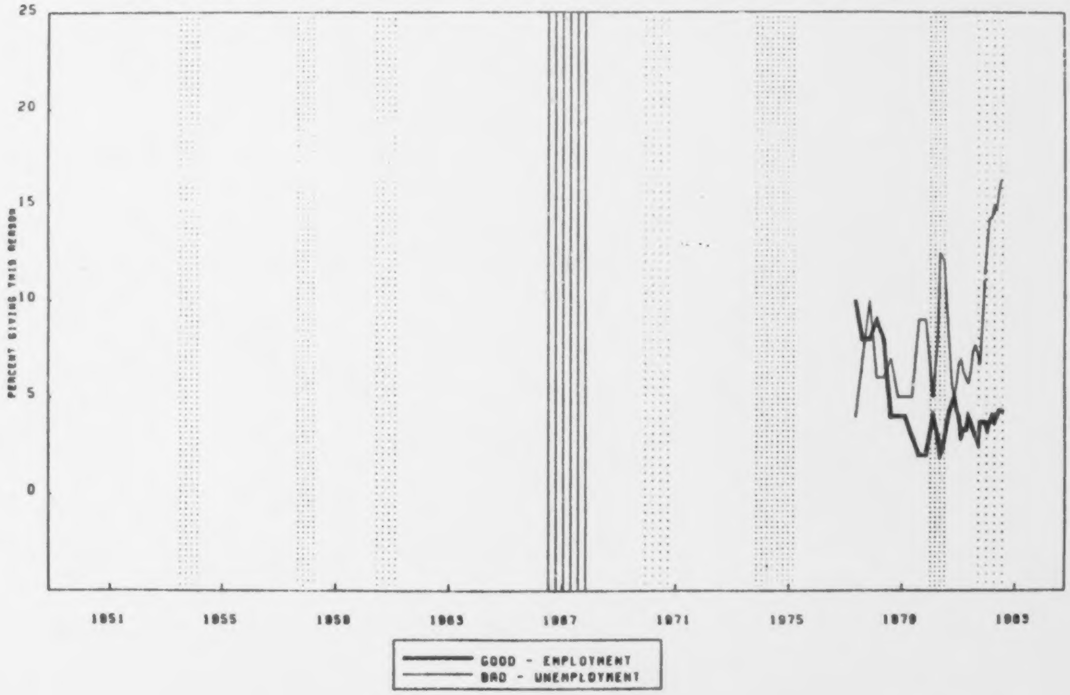


CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

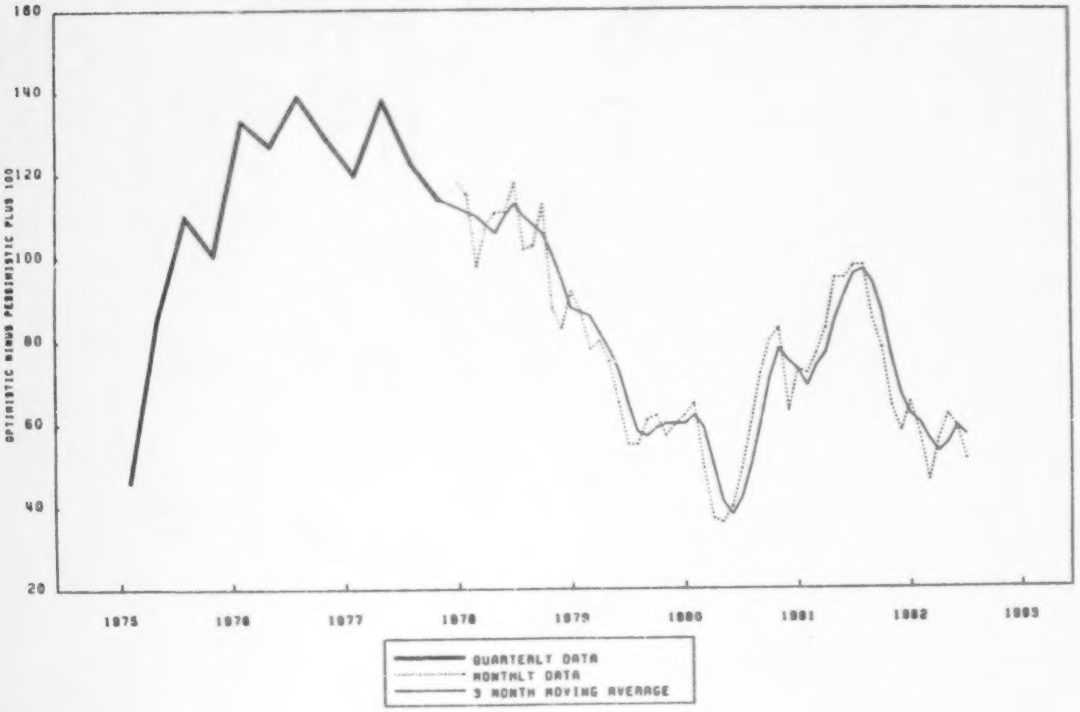
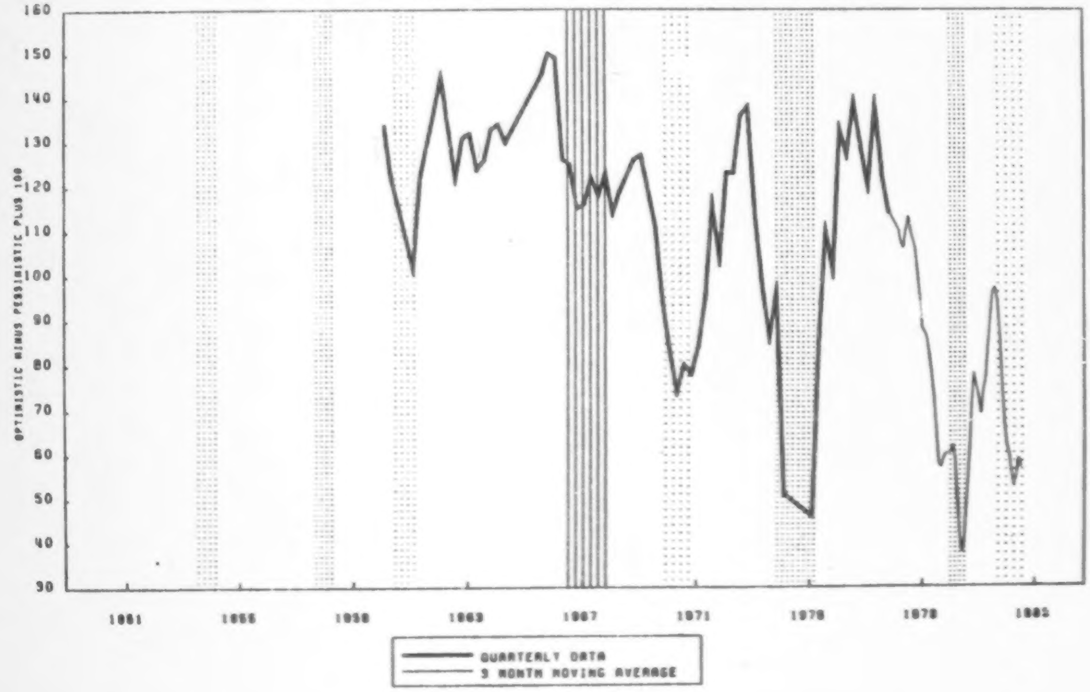


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## TABLE 16

### REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 21% | 29% | 24% | 19% | 15% | 15% | 19% | 19% | 13% | 14% | 18% | 11% | 13% |
| Employment | 3 | 3 | 2 | 6 | 3 | 2 | 5 | 4 | 3 | 4 | 5 | 4 | 4 |
| Higher consumer demand | 2 | 3 | 4 | 2 | 2 | 3 | 3 | 2 | 3 | 3 | 4 | 6 | 3 |
| Lower prices | 4 | 3 | 2 | 1 | 1 | 2 | 3 | 2 | 2 | 5 | 4 | 3 | 2 |
| Easier credit | 3 | 4 | 4 | 6 | 7 | 9 | 5 | 5 | 7 | 7 | 10 | 9 | 5 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 11 | 12 | 11 | 15 | 10 | 12 | 11 | 12 | 13 | 13 | 12 | 12 | 14 |
| Unemployment | 9 | 6 | 7 | 7 | 12 | 15 | 12 | 16 | 15 | 14 | 15 | 18 | 16 |
| Lower consumer demand | 5 | 3 | 6 | 4 | 6 | 7 | 6 | 7 | 9 | 7 | 4 | 6 | 5 |
| Higher prices | 7 | 4 | 9 | 7 | 8 | 8 | 5 | 6 | 6 | 4 | 4 | 5 | 6 |
| Tighter credit | 5 | 6 | 8 | 5 | 5 | 4 | 4 | 7 | 7 | 5 | 6 | 10 | 9 |
| Energy crisis | * | * | * | 1 | * | * | * | * | * | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

## TABLE 17

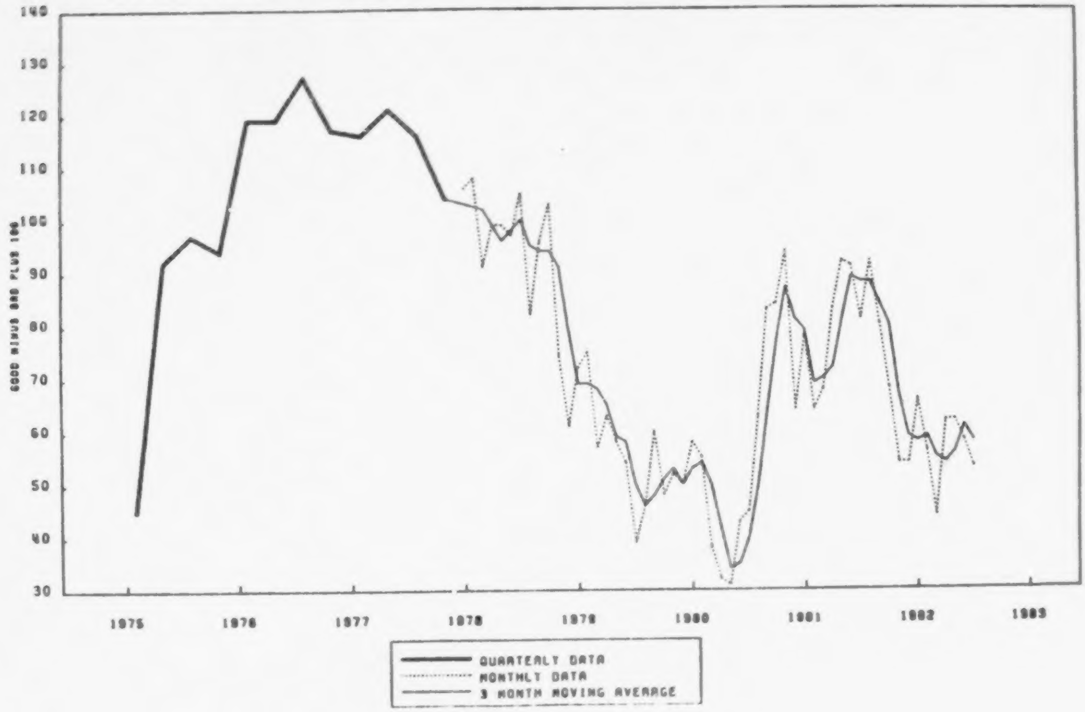
## TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 15% | 18% | 14% | 12% | 6% | 5% | 6% | 6% | 4% | 5% | 8% | 6% | 5% |
| Intermittent increase (b) | 21 | 17 | 16 | 14 | 11 | 8 | 9 | 6 | 5 | 7 | 6 | 6 | 5 |
| Remain unchanged (c) | 8 | 7 | 6 | 4 | 6 | 3 | 3 | 4 | 2 | 4 | 3 | 2 | 3 |
| Intermittent decline (d) | 24 | 25 | 29 | 27 | 31 | 29 | 27 | 30 | 37 | 30 | 33 | 29 | 36 |
| Continuous decline (e) | 14 | 12 | 16 | 21 | 22 | 26 | 23 | 25 | 26 | 26 | 19 | 24 | 23 |
| Mixed change (f) | 13 | 18 | 14 | 17 | 18 | 25 | 29 | 26 | 23 | 24 | 28 | 30 | 25 |
| DK,NA | 5 | 3 | 5 | 5 | 6 | 4 | 3 | 3 | 3 | 4 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

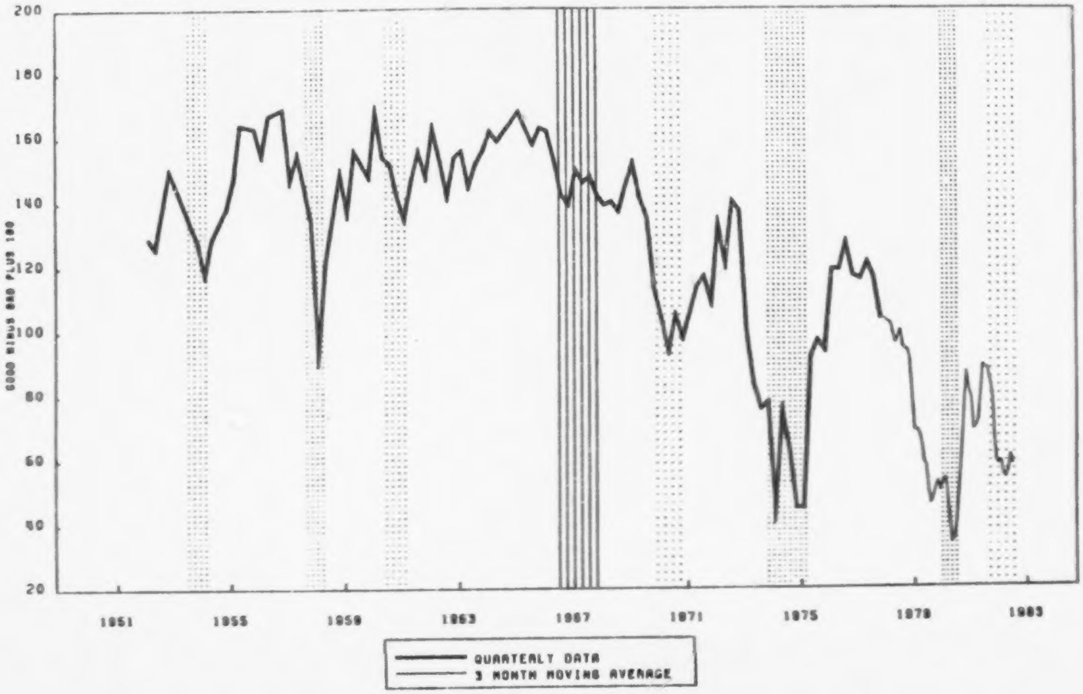
Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

## CHART 18 - RECENT CHANGES
## BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



## CHART 18 - HISTORICAL SERIES
## BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 35% | 40% | 33% | 25% | 21% | 23% | 30% | 23% | 17% | 28% | 27% | 25% | 23% |
| UNCERTAIN; GOOD & BAD | 2 | 4 | 3 | 3 | 4 | 2 | 1 | 2 | 2 | 1 | 1 | 1 | 2 |
| BAD TIMES | 54 | 48 | 53 | 57 | 67 | 69 | 64 | 67 | 73 | 66 | 65 | 67 | 70 |
| DON´T KNOW | 5 | 5 | 6 | 8 | 6 | 4 | 3 | 4 | 3 | 4 | 4 | 4 | 3 |
| NOT ASCERTAINED | 4 | 3 | 5 | 7 | 2 | 2 | 2 | 4 | 5 | 1 | 3 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we´ll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

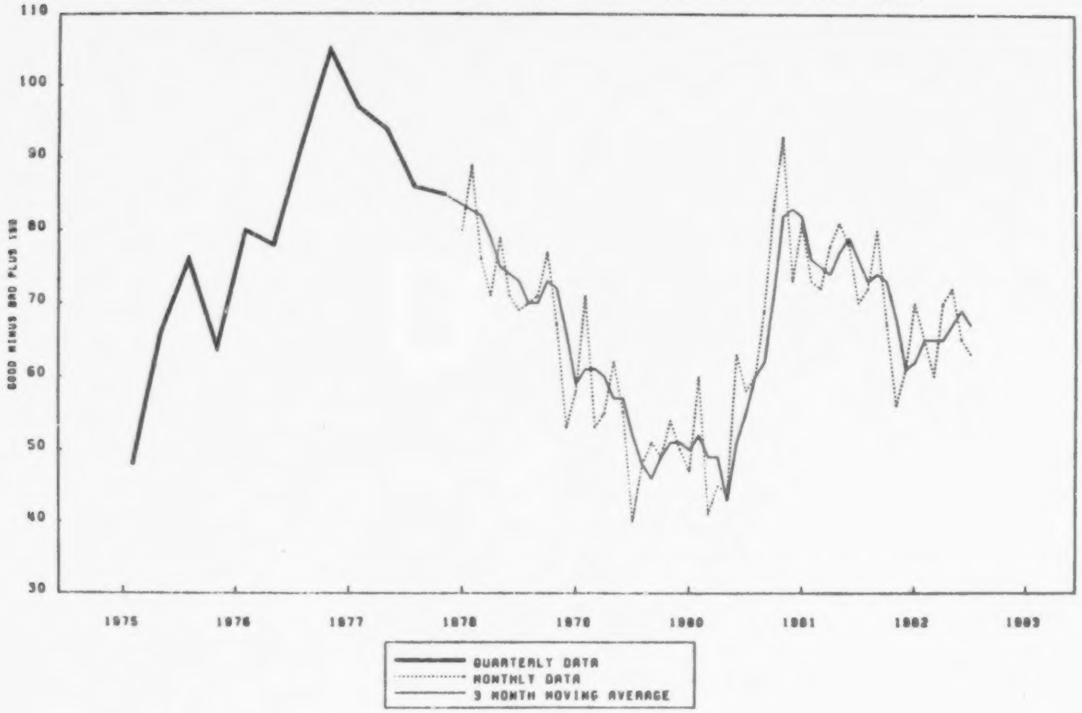
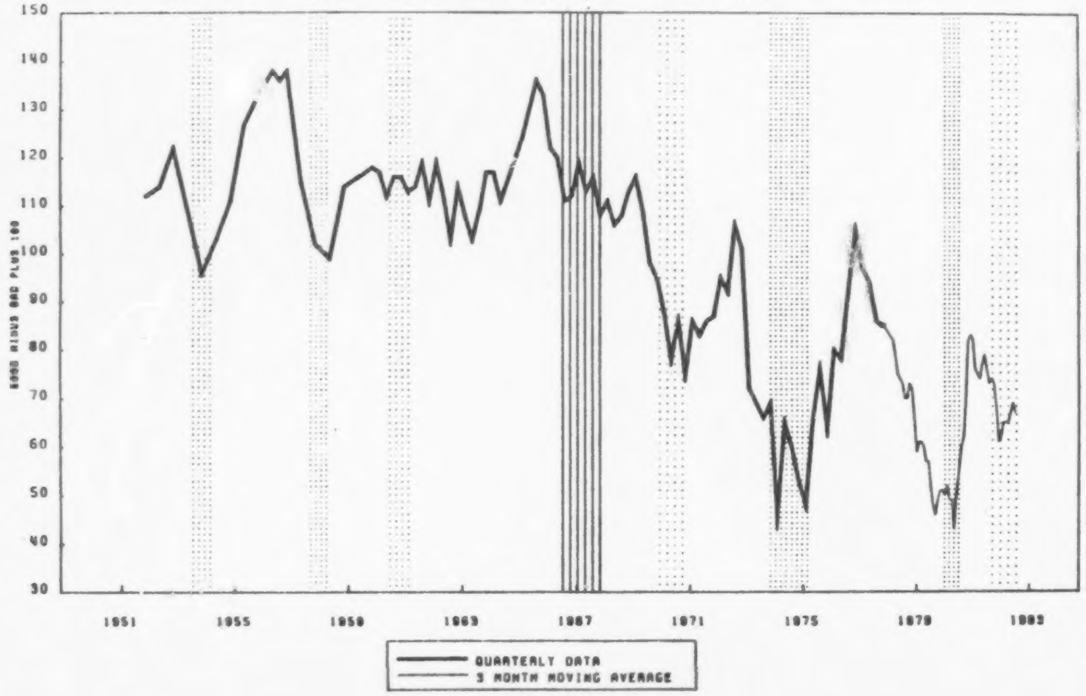


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



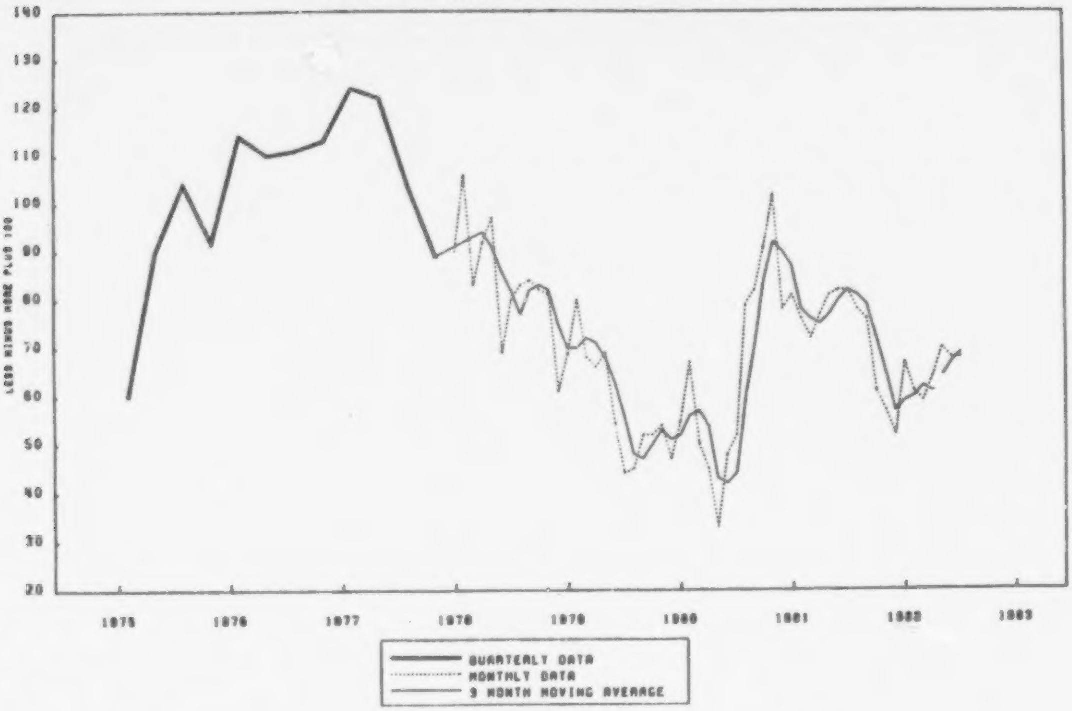
## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

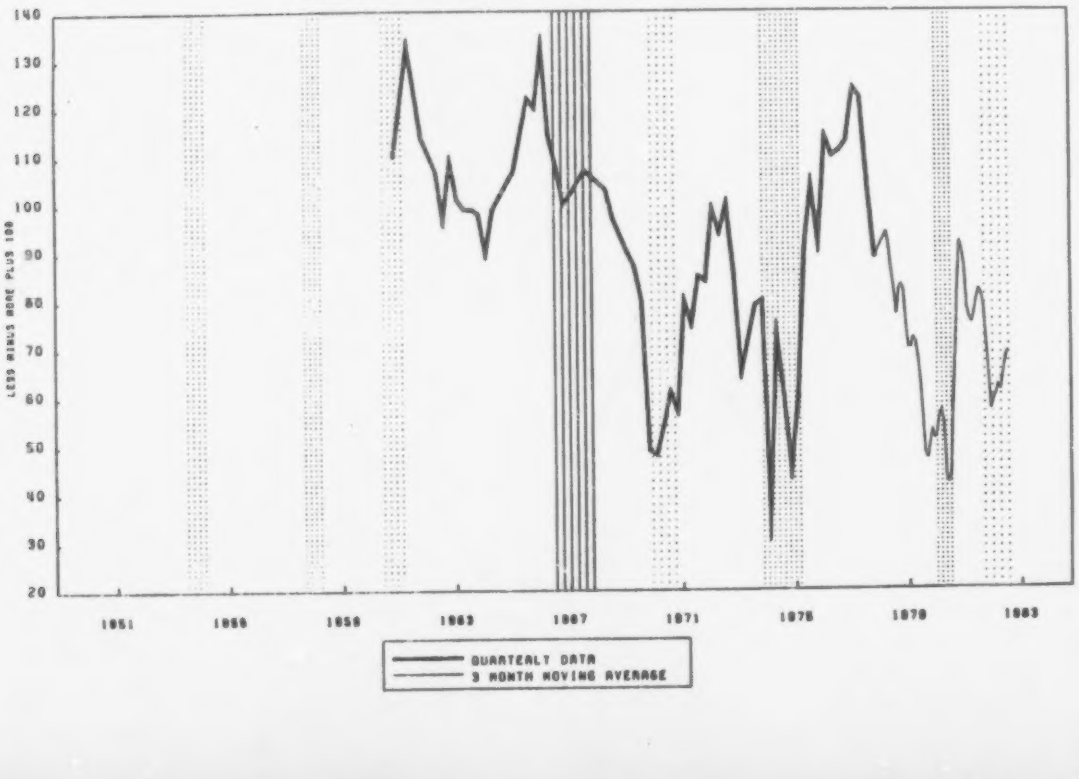
| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 27% | 28% | 30% | 24% | 18% | 20% | 28% | 24% | 22% | 25% | 27% | 24% | 22% |
| UNCERTAIN; GOOD & BAD | 11 | 12 | 16 | 14 | 17 | 17 | 11 | 13 | 13 | 13 | 13 | 12 | 15 |
| BAD TIMES | 57 | 56 | 50 | 57 | 62 | 59 | 58 | 59 | 62 | 55 | 55 | 59 | 59 |
| NOT ASCERTAINED | 5 | 4 | 4 | 5 | 3 | 4 | 3 | 4 | 3 | 7 | 5 | 5 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

## CHART 20 - RECENT CHANGES
## EXPECTED CHANGE IN UNEMPLOYMENT



## CHART 20 - HISTORICAL SERIES
## EXPECTED CHANGE IN UNEMPLOYMENT



## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 18% | 14% | 15% | 11% | 11% | 11% | 16% | 13% | 13% | 14% | 17% | 16% | 16% |
| SAME | 44 | 47 | 45 | 38 | 33 | 28 | 34 | 33 | 32 | 34 | 35 | 35 | 35 |
| MORE | 36 | 36 | 39 | 50 | 54 | 59 | 49 | 52 | 54 | 50 | 47 | 48 | 48 |
| DK,NA | 2 | 3 | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

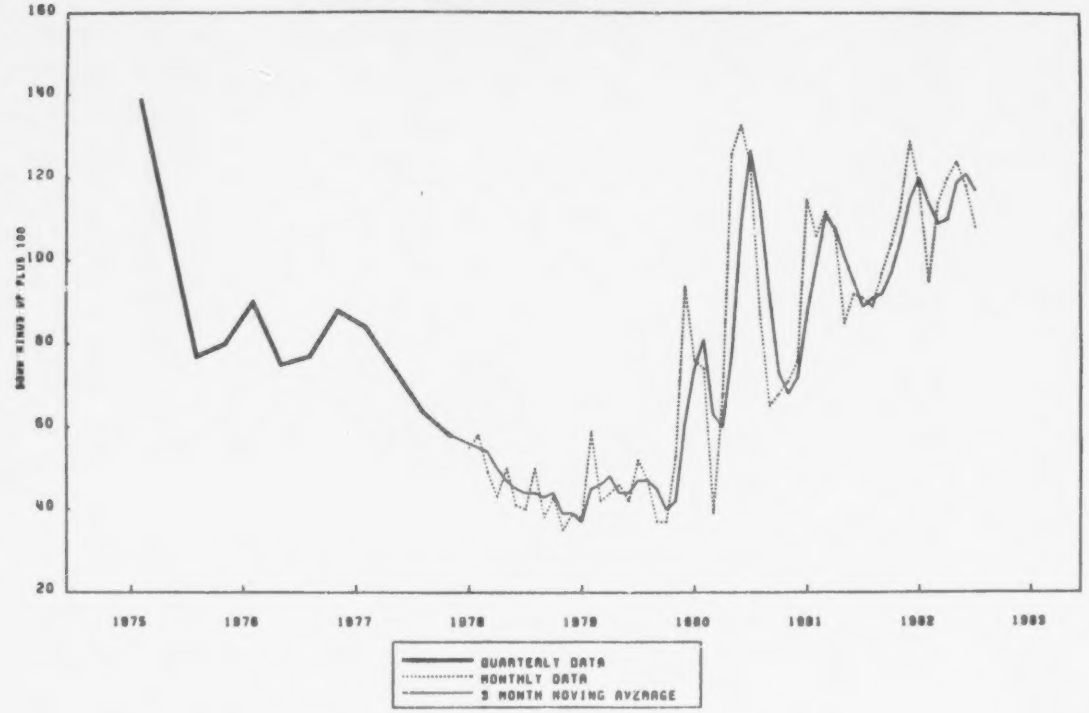


CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

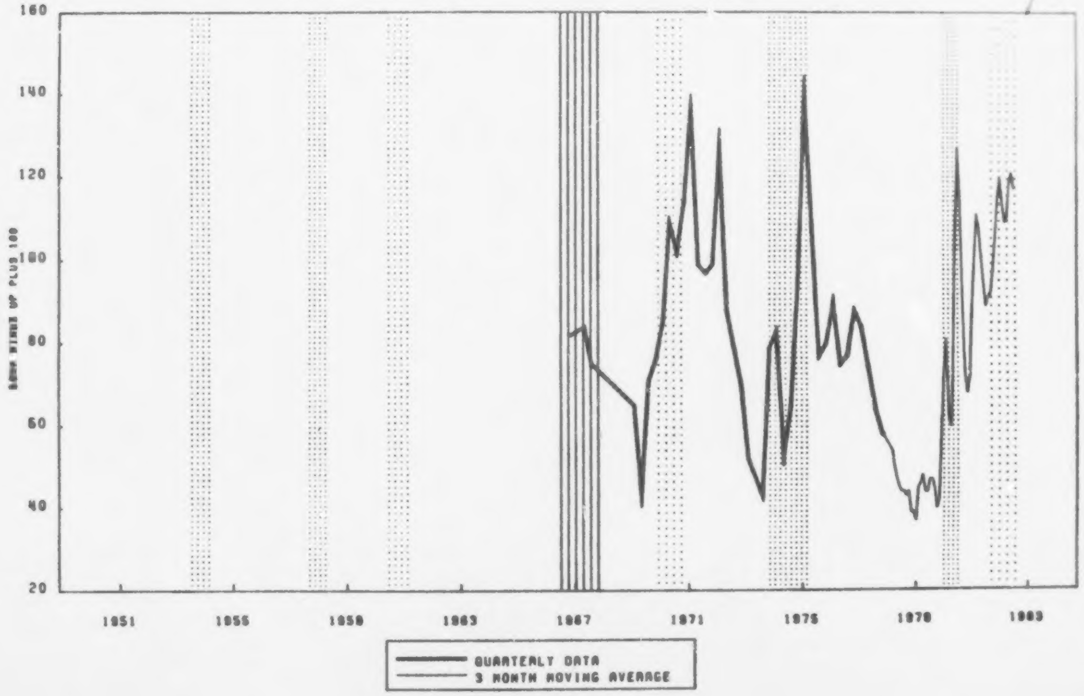


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

## TABLE 21

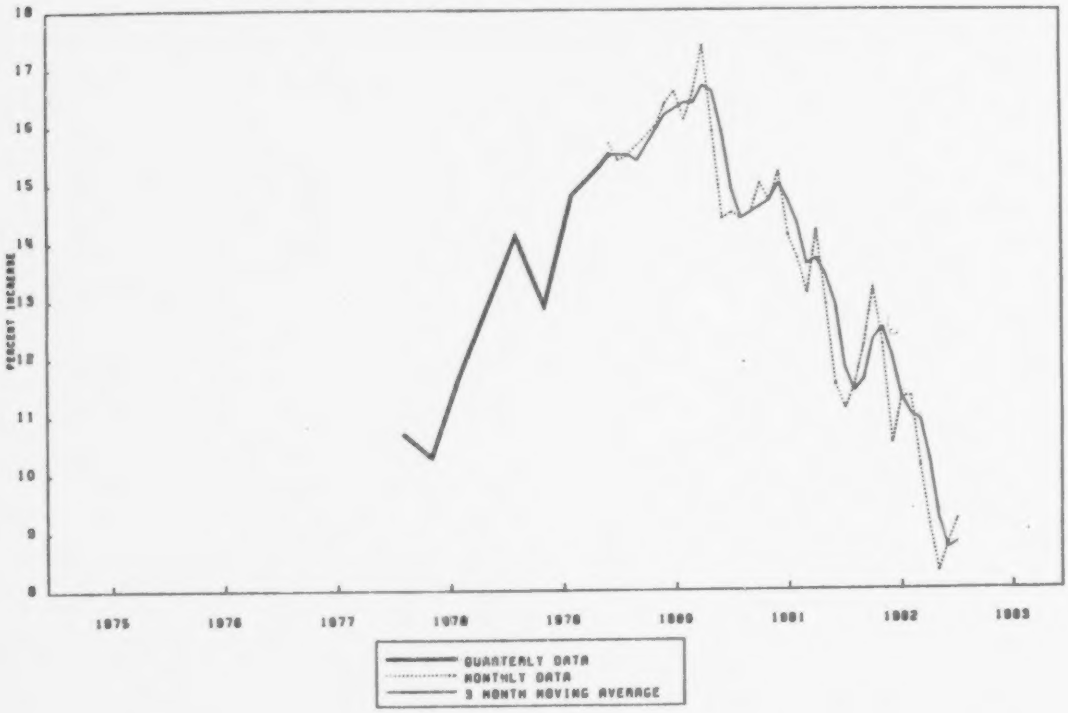
## EXPECTED CHANGE IN INTEREST RATES

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 38% | 37% | 33% | 31% | 29% | 21% | 25% | 34% | 25% | 22% | 19% | 21% | 24% |
| STAY THE SAME | 28 | 34 | 33 | 30 | 25 | 25 | 28 | 33 | 33 | 33 | 34 | 37 | 41 |
| GO DOWN | 29 | 26 | 30 | 35 | 42 | 50 | 43 | 29 | 39 | 42 | 43 | 39 | 32 |
| DK,NA | 5 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS



# TABLE 22

## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 10% | 11% | 10% | 8% | 7% | 10% | 11% | 13% | 15% | 15% | 23% | 14% | 12% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 4 | 4 | 3 | 4 | 2 | 4 | 4 | 4 | 5 | 4 | 2 | 8 | 6 |
| 3-4% | 7 | 7 | 5 | 6 | 7 | 7 | 5 | 6 | 7 | 7 | 11 | 10 | 8 |
| 5% | 11 | 10 | 9 | 9 | 11 | 11 | 11 | 11 | 13 | 12 | 12 | 12 | 14 |
| 6-9% | 12 | 11 | 15 | 12 | 14 | 15 | 17 | 14 | 12 | 14 | 13 | 14 | 13 |
| 10-14% | 24 | 25 | 25 | 26 | 26 | 28 | 24 | 24 | 24 | 24 | 16 | 21 | 22 |
| 15% or more | 24 | 23 | 24 | 27 | 24 | 19 | 22 | 22 | 19 | 17 | 17 | 16 | 18 |
| DK how much up | 8 | 9 | 8 | 8 | 8 | 6 | 6 | 6 | 5 | 7 | 6 | 5 | 6 |
| DK,NA | * | * | 1 | * | 1 | * | * | * | * | * | * | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 11.1 | 11.5 | 12.2 | 13.2 | 12.2 | 10.5 | 11.3 | 11.3 | 10.1 | 9.1 | 8.3 | 8.8 | 9.2 |
| VARIANCE | 111 | 114 | 143 | 156 | 134 | 104 | 126 | 132 | 114 | 83 | 96 | 93 | 87 |
| CASES | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

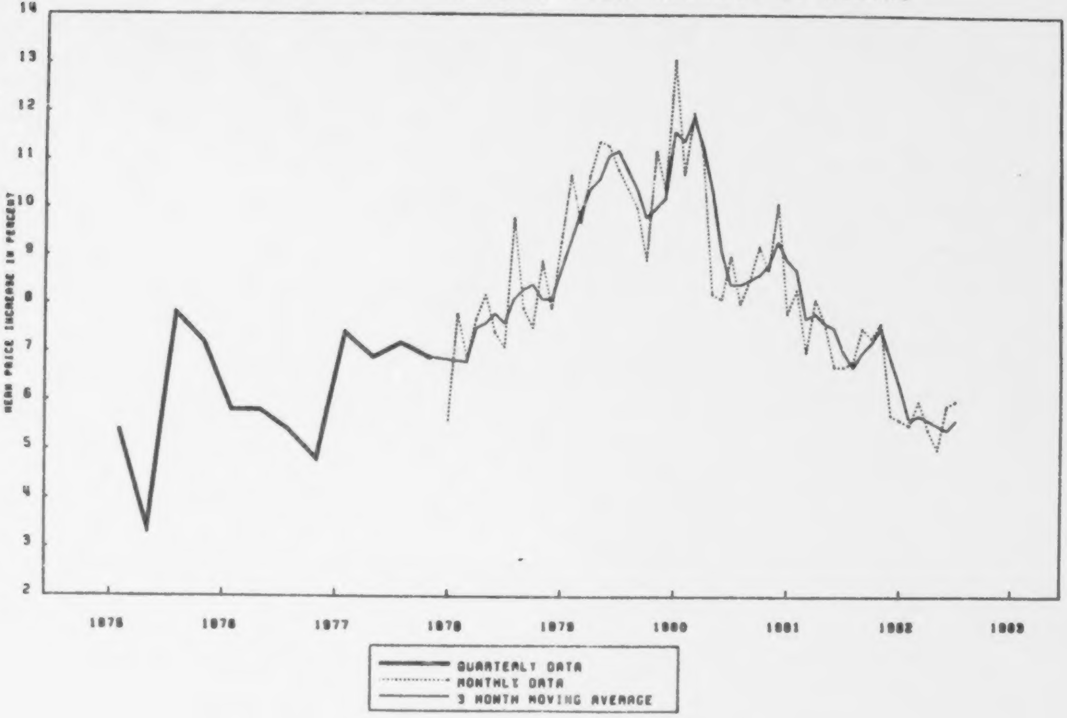


CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

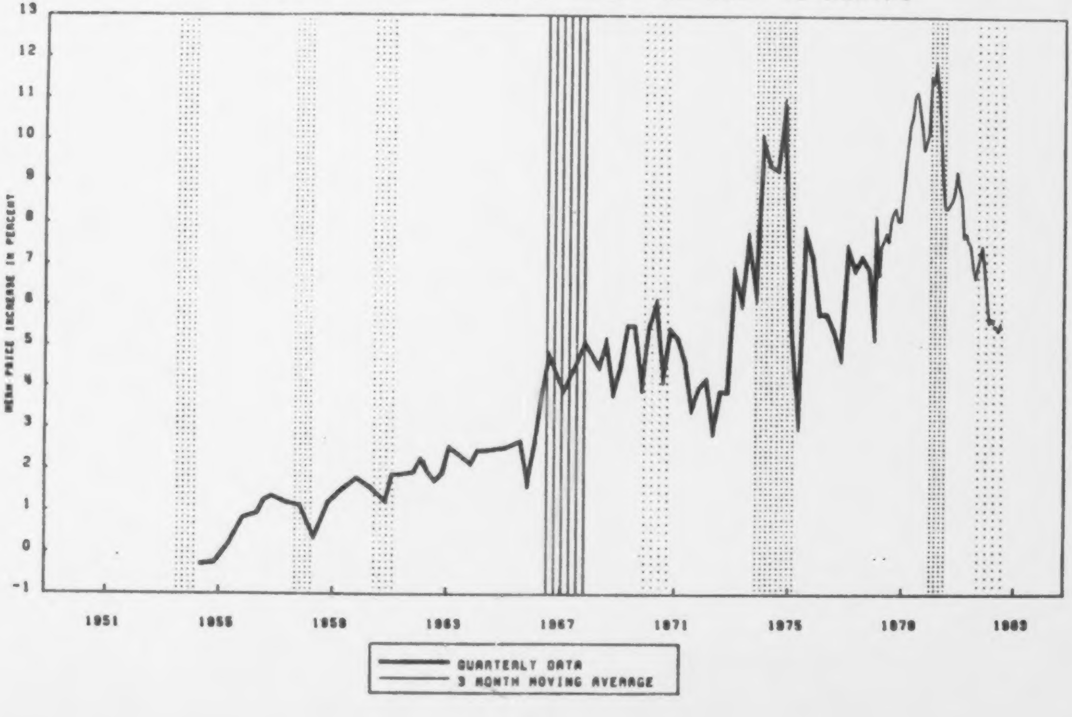


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

## TABLE 23

## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 31% | 28% | 30% | 27% | 27% | 35% | 36% | 38% | 32% | 33% | 36% | 30% | 23% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 2 | 6 | 5 | 5 | 4 | 4 | 5 | 4 | 7 | 4 | 6 | 7 | 7 |
| 3-4% | 7 | 7 | 8 | 7 | 6 | 8 | 8 | 7 | 11 | 7 | 9 | 10 | 10 |
| 5% | 10 | 12 | 10 | 12 | 11 | 12 | 13 | 12 | 11 | 16 | 15 | 14 | 17 |
| 6-9% | 15 | 12 | 11 | 14 | 11 | 14 | 11 | 12 | 12 | 10 | 11 | 10 | 15 |
| 10-14% | 18 | 16 | 17 | 17 | 22 | 14 | 13 | 14 | 12 | 16 | 8 | 16 | 14 |
| 15% or more | 10 | 11 | 13 | 12 | 11 | 8 | 8 | 7 | 11 | 8 | 8 | 8 | 7 |
| DK how much up | 7 | 5 | 5 | 5 | 6 | 3 | 4 | 5 | 2 | 3 | 4 | 3 | 5 |
| DK,NA | * | 3 | 1 | 1 | 2 | 2 | 2 | 1 | 2 | 3 | 3 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 6.7 | 6.8 | 7.5 | 7.3 | 7.6 | 5.7 | 5.6 | 5.5 | 6.0 | 5.4 | 5.0 | 5.9 | 6.0 |
| VARIANCE | 70 | 70 | 91 | 71 | 84 | 62 | 59 | 59 | 85 | 54 | 58 | 71 | 53 |
| CASES | 694 | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

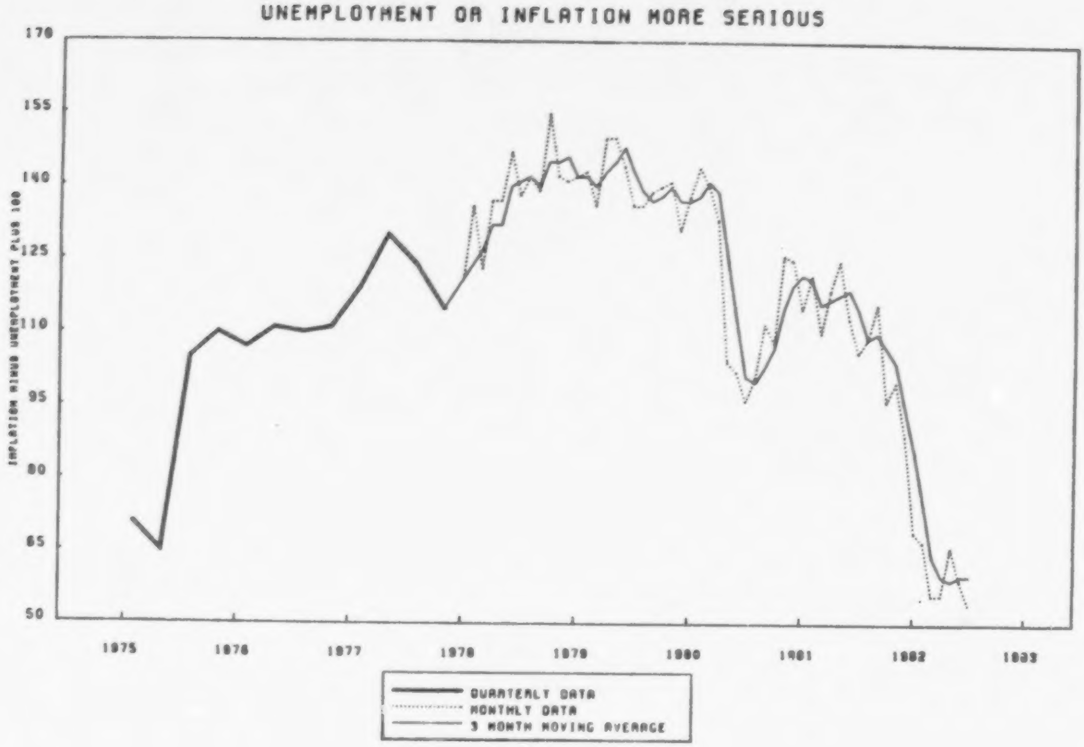
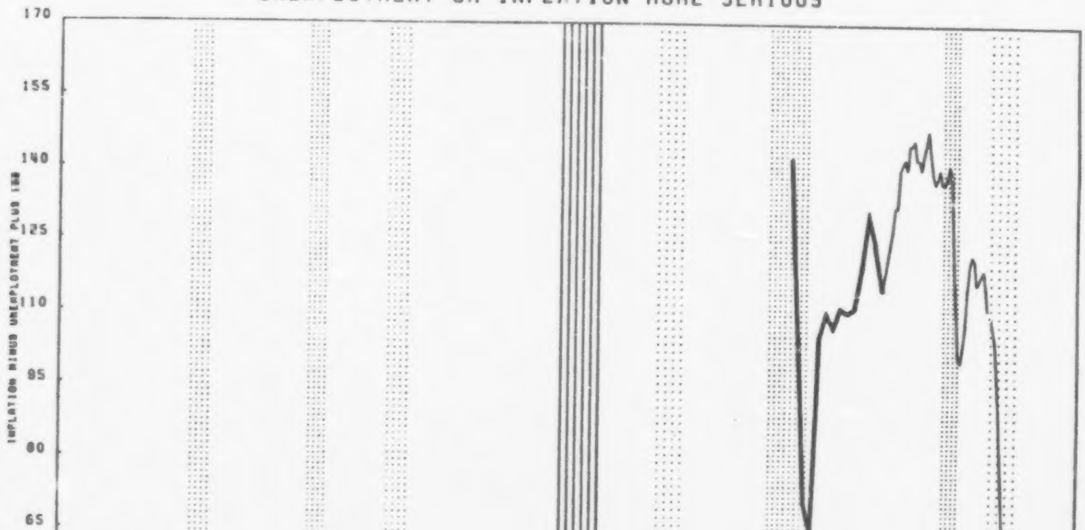


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS



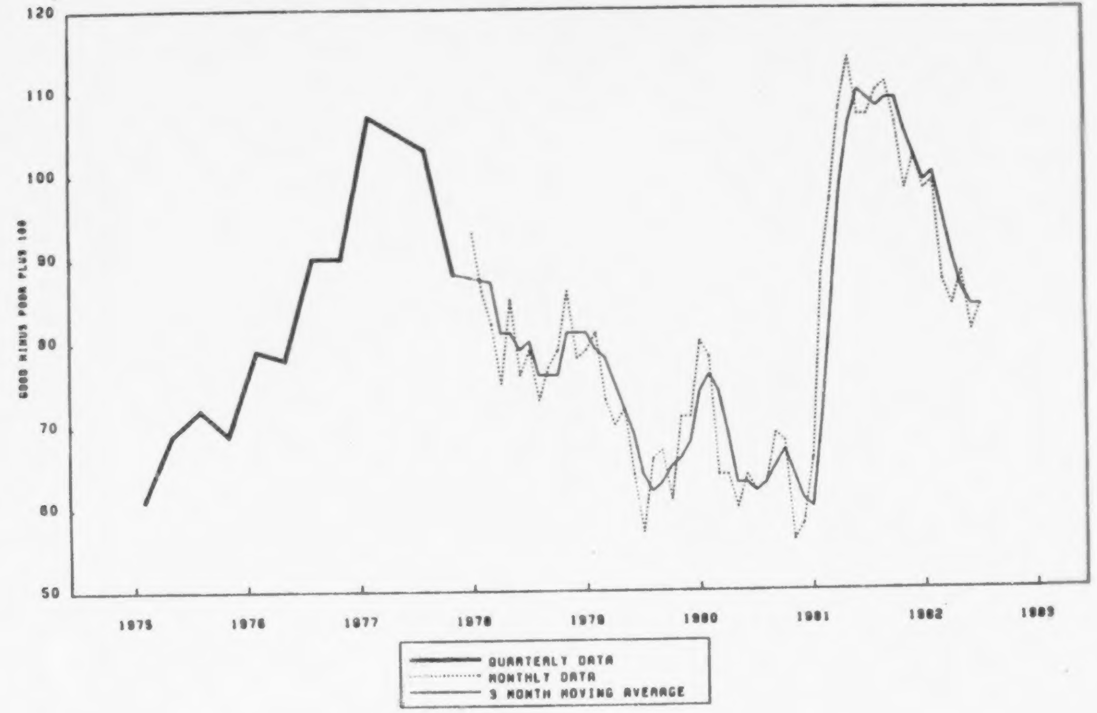
## TABLE 24

## UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

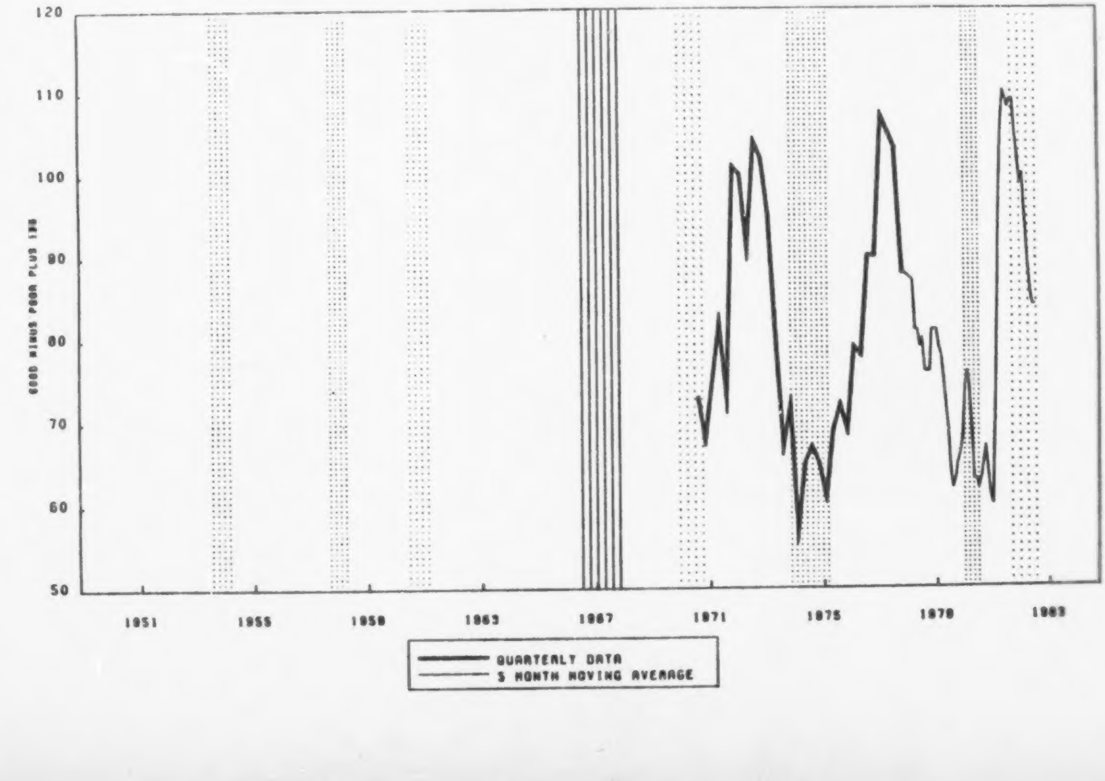
| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 42% | 39% | 37% | 45% | 43% | 49% | 60% | 59% | 66% | 65% | 62% | 64% | 67% |
| BOTH EQUALLY SERIOUS | 9 | 11 | 9 | 12 | 13 | 11 | 10 | 14 | 11 | 13 | 9 | 12 | 11 |
| INFLATION | 48 | 48 | 53 | 41 | 43 | 38 | 29 | 26 | 22 | 21 | 28 | 23 | 21 |
| DK,NA | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

## CHART 25 - RECENT CHANGES
## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## CHART 25 - HISTORICAL SERIES
## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 28% | 31% | 31% | 31% | 23% | 26% | 25% | 27% | 18% | 22% | 20% | 16% | 18% |
| ONLY FAIR | 47 | 44 | 45 | 41 | 49 | 47 | 46 | 42 | 48 | 37 | 46 | 46 | 46 |
| A POOR JOB | 21 | 21 | 20 | 25 | 25 | 24 | 27 | 28 | 31 | 38 | 32 | 35 | 34 |
| DK,NA | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

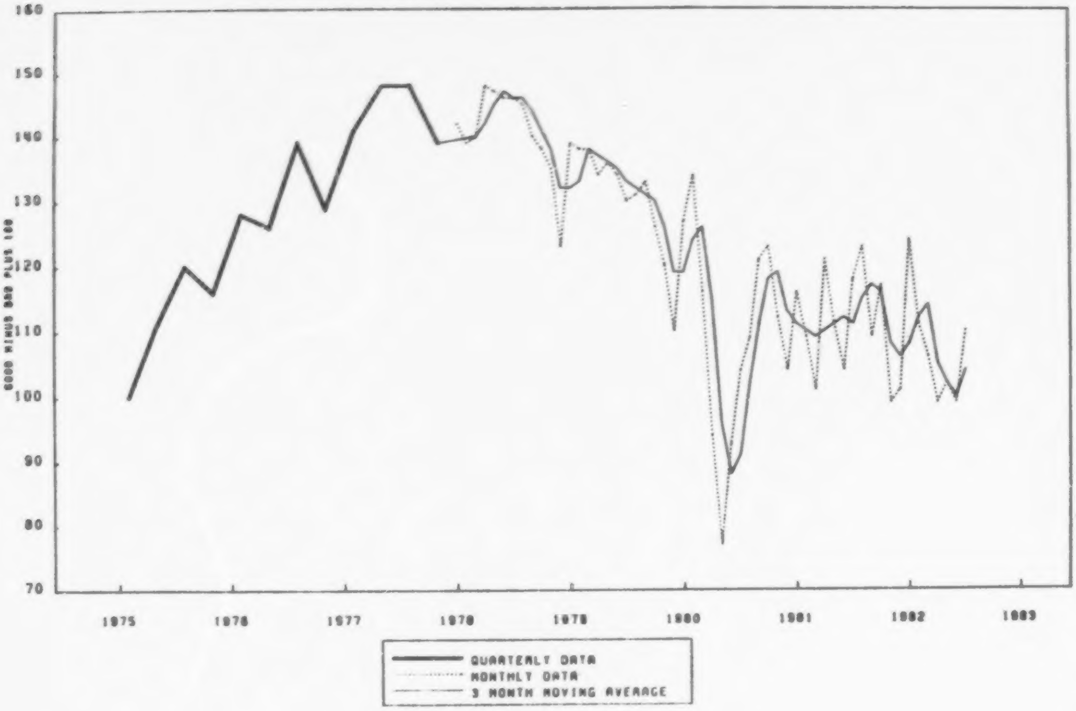
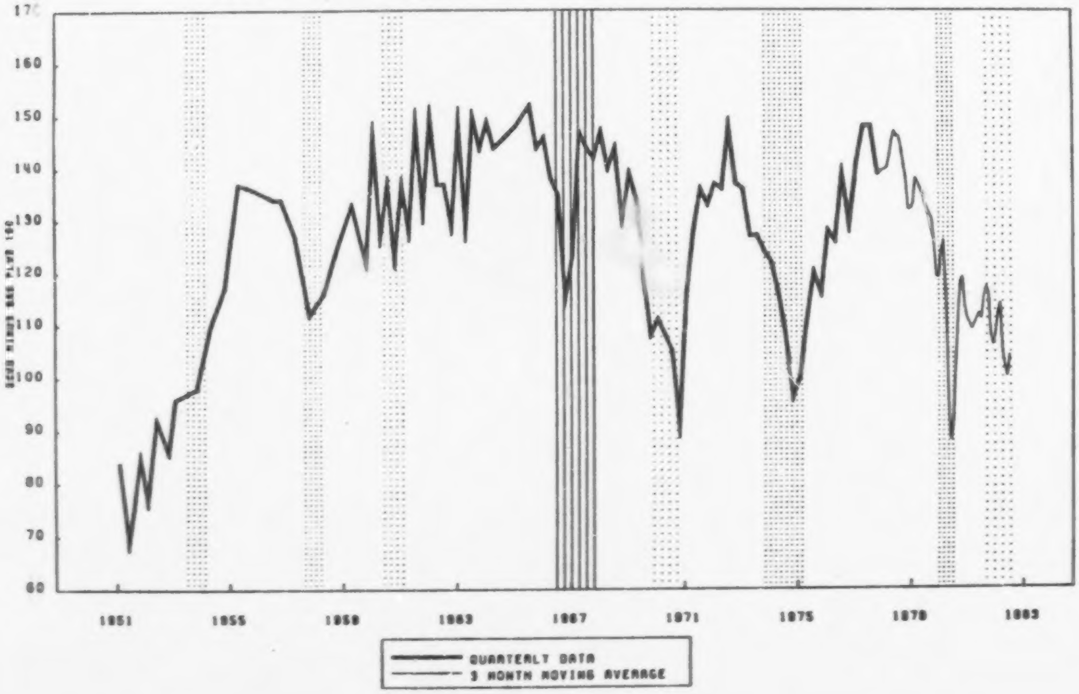


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



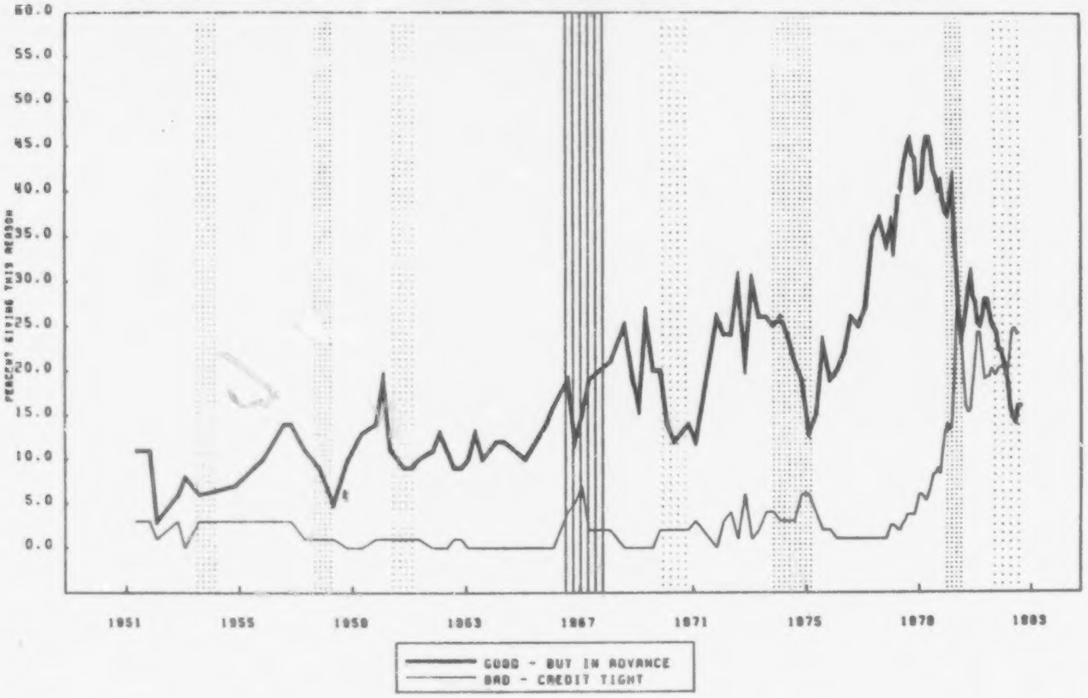
## TABLE 26

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

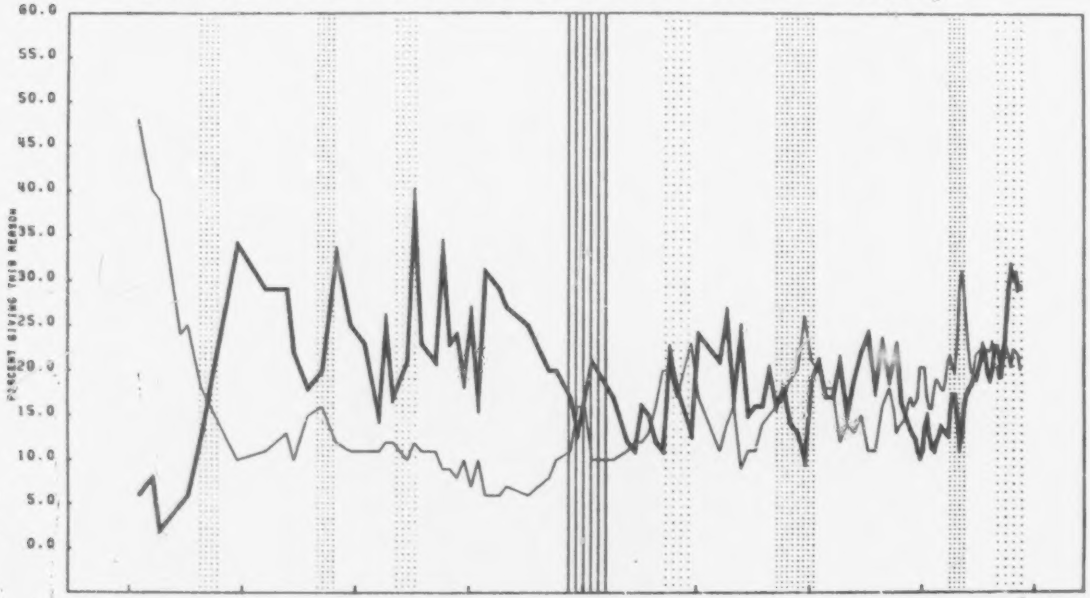
| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 53% | 55% | 44% | 52% | 43% | 44% | 57% | 48% | 48% | 41% | 45% | 43% | 48% |
| UNCERTAIN, DEPENDS | 12 | 13 | 21 | 13 | 13 | 13 | 10 | 15 | 10 | 17 | 12 | 13 | 14 |
| BAD TIME TO BUY | 35 | 32 | 35 | 35 | 44 | 43 | 33 | 37 | 42 | 42 | 43 | 44 | 38 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

## CHART 27A - HISTORICAL SERIES
## REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES



## CHART 27B - HISTORICAL SERIES
## REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES



## TABLE 27

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 24% | 24% | 20% | 21% | 19% | 26% | 32% | 30% | 32% | 29% | 31% | 27% | 30% |
| Prices won´t come down; are going higher | 27 | 26 | 21 | 25 | 20 | 21 | 22 | 18 | 15 | 14 | 15 | 14 | 19 |
| Interest rates low; credit is easy | 2 | 3 | 1 | 1 | 2 | 2 | 3 | 2 | 1 | 1 | 3 | 2 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 23 | 17 | 21 | 19 | 25 | 26 | 17 | 22 | 22 | 23 | 21 | 21 | 18 |
| Interest rates are high; credit is tight | 17 | 21 | 21 | 17 | 23 | 21 | 18 | 19 | 24 | 26 | 24 | 24 | 24 |
| Lack of purchasing power | 8 | 7 | 9 | 11 | 12 | 15 | 13 | 15 | 18 | 19 | 20 | 21 | 19 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

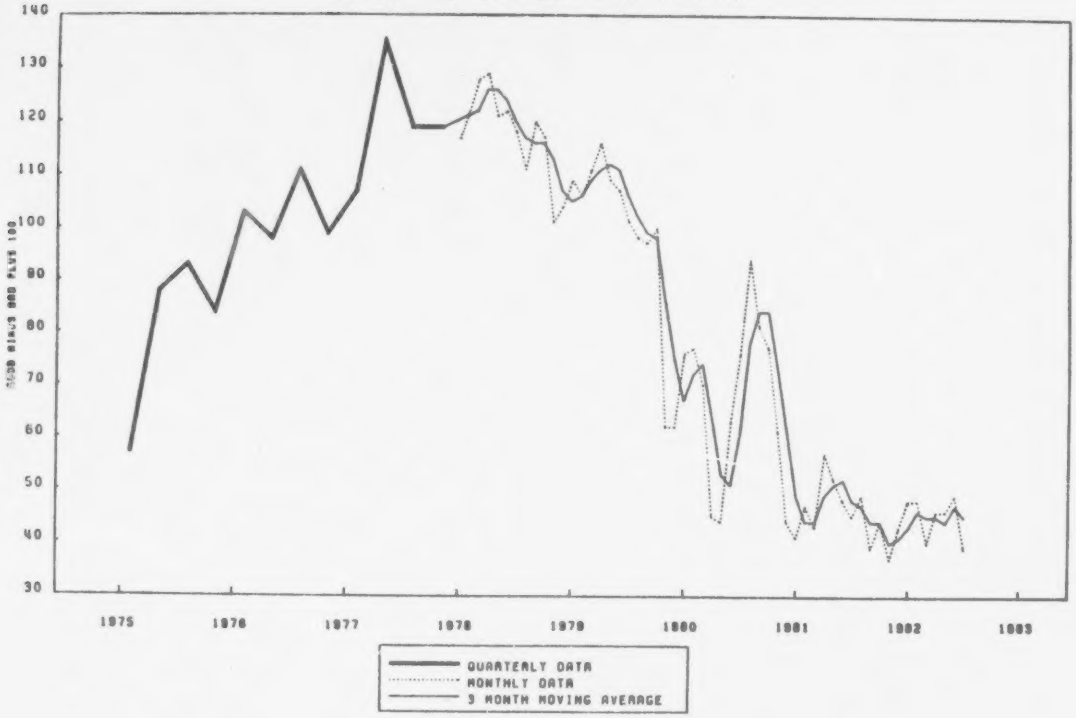
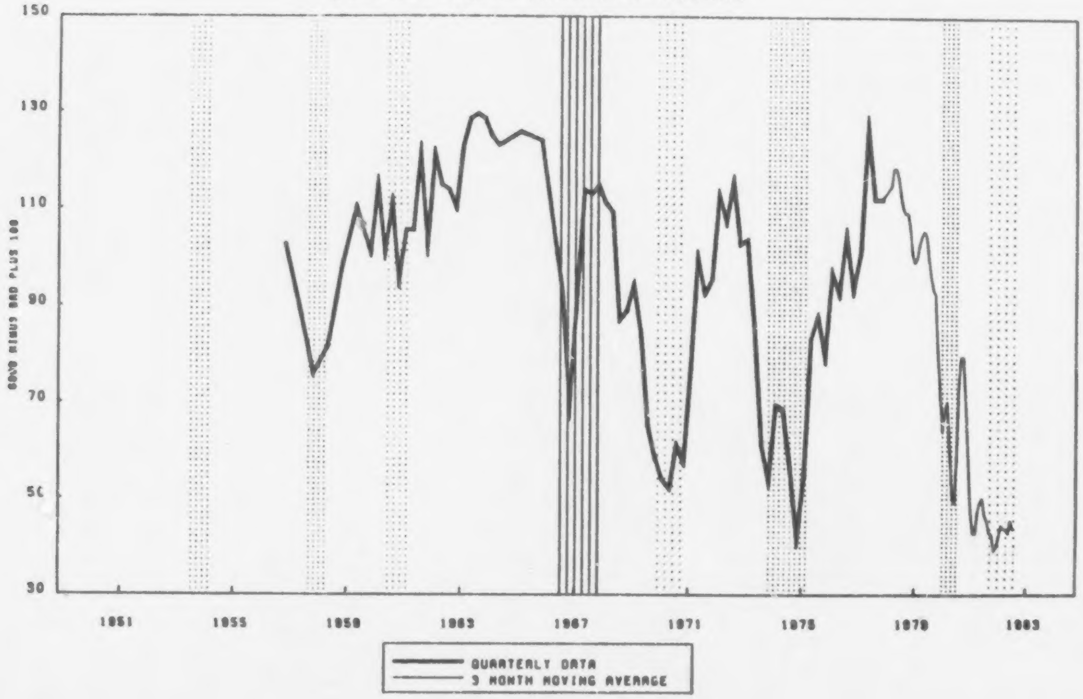


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



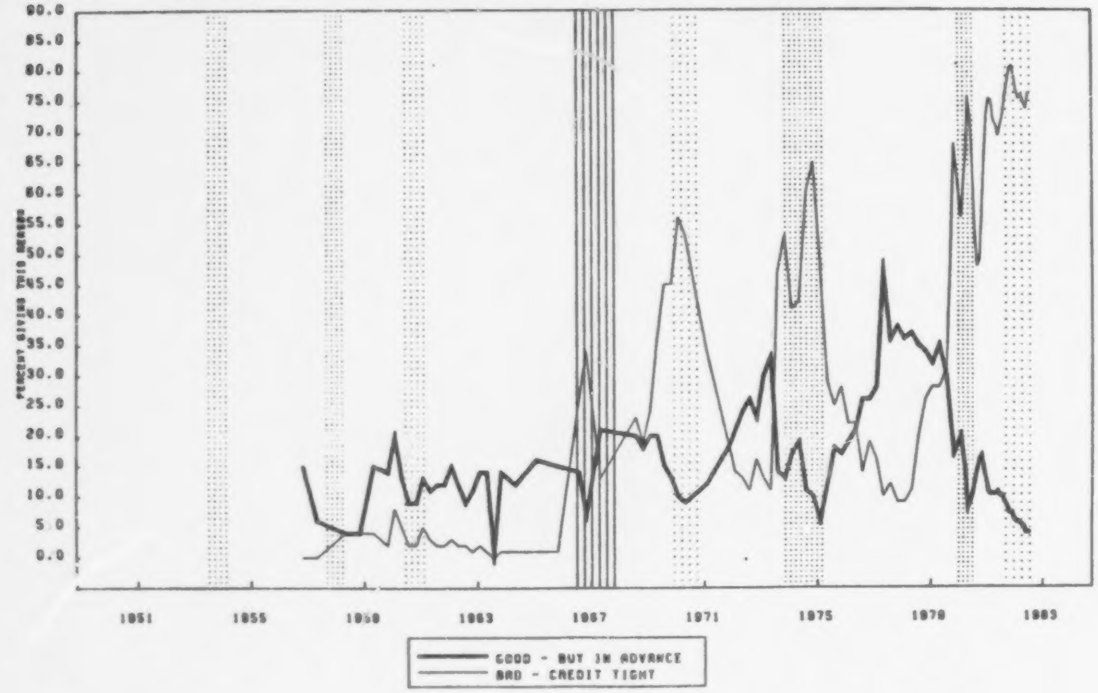
## TABLE 28

## BUYING CONDITIONS FOR HOUSES

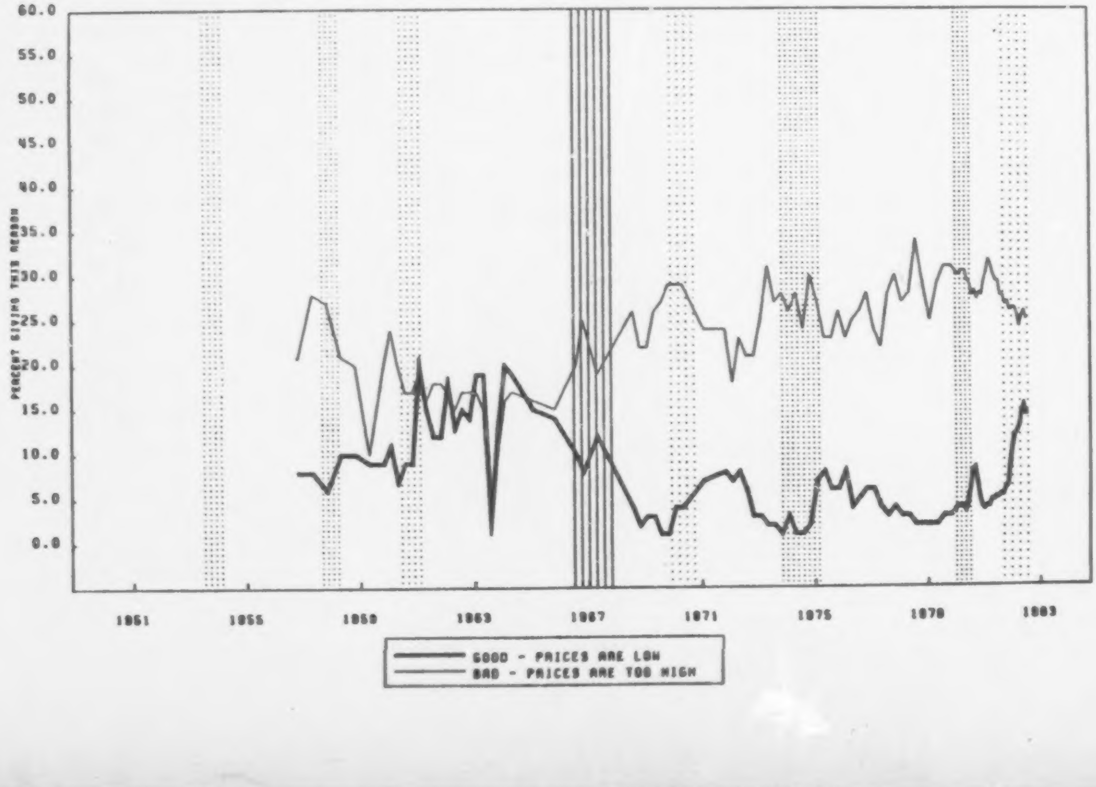
| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 20% | 21% | 15% | 18% | 16% | 19% | 21% | 21% | 17% | 20% | 19% | 21% | 15% |
| UNCERTAIN, DEPENDS | 5 | 7 | 9 | 8 | 5 | 5 | 6 | 6 | 6 | 6 | 8 | 7 | 9 |
| BAD TIME TO BUY | 75 | 72 | 76 | 74 | 79 | 76 | 73 | 73 | 77 | 74 | 73 | 72 | 76 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

## CHART 29A - HISTORICAL SERIES
## REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



## CHART 29B - HISTORICAL SERIES
## REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



## TABLE 29

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 5% | 6% | 5% | 7% | 7% | 12% | 13% | 11% | 13% | 15% | 16% | 15% | 12% |
| Prices won´t come down; are going higher | 10 | 10 | 7 | 9 | 7 | 7 | 5 | 5 | 7 | 4 | 4 | 4 | 4 |
| Interest rates low; credit is easy | 6 | 8 | 6 | 4 | 4 | 6 | 8 | 7 | 4 | 6 | 6 | 7 | 4 |
| Good investment | 7 | 5 | 4 | 3 | 5 | 3 | 5 | 6 | 4 | 5 | 5 | 4 | 3 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 30 | 23 | 30 | 27 | 24 | 27 | 28 | 24 | 25 | 24 | 27 | 27 | 21 |
| Interest rates are high; credit is tight | 71 | 76 | 80 | 78 | 83 | 81 | 72 | 76 | 78 | 74 | 72 | 75 | 82 |
| Lack of purchasing power | 12 | 11 | 15 | 11 | 17 | 21 | 22 | 19 | 23 | 22 | 18 | 23 | 27 |

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

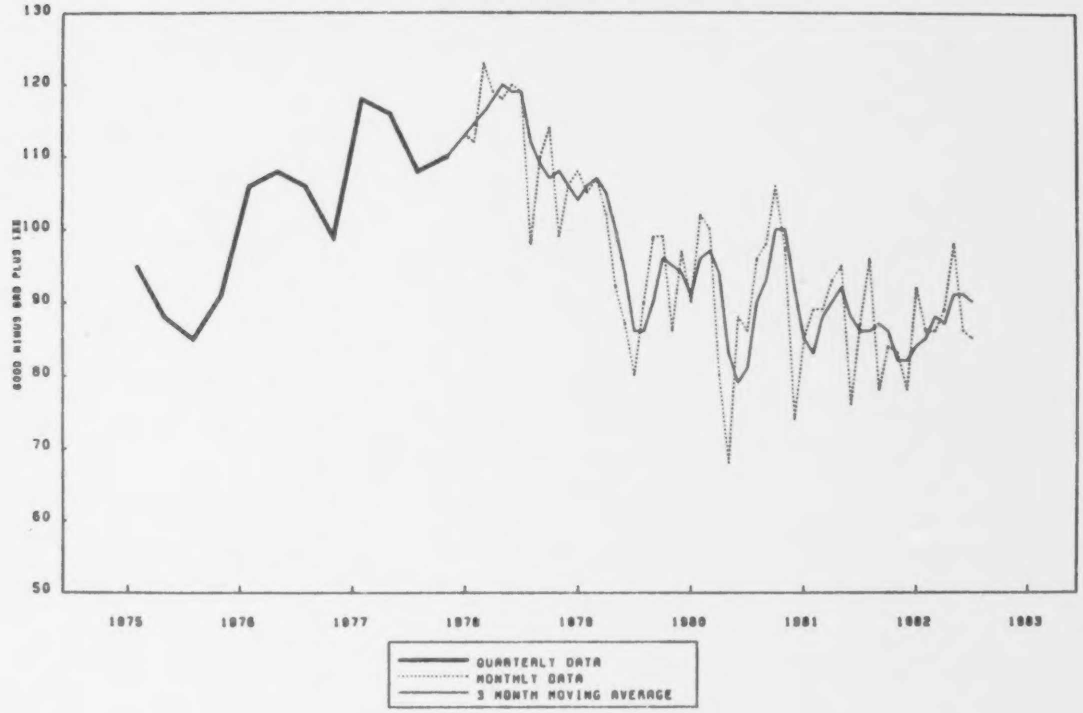
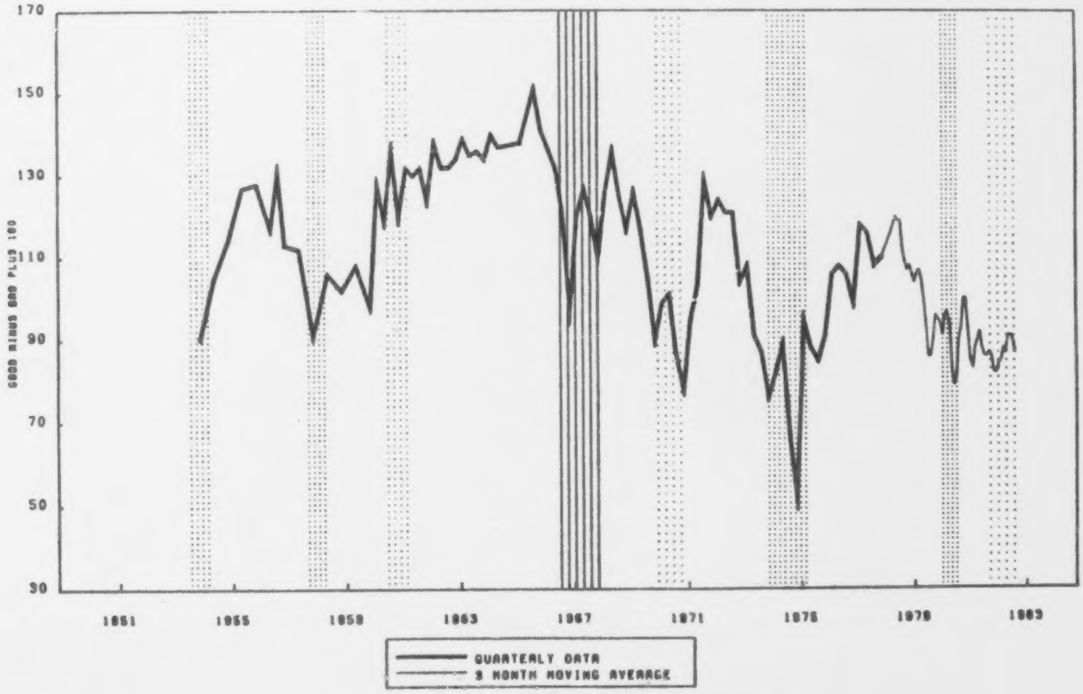


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



## TABLE 30

## BUYING CONDITIONS FOR CARS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 40% | 43% | 34% | 37% | 37% | 34% | 41% | 37% | 39% | 40% | 44% | 40% | 37% |
| UNCERTAIN; DEPENDS | 7 | 10 | 10 | 10 | 9 | 10 | 10 | 12 | 8 | 9 | 10 | 6 | 11 |
| BAD TIME TO BUY | 53 | 47 | 56 | 53 | 54 | 56 | 49 | 51 | 53 | 51 | 46 | 54 | 52 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

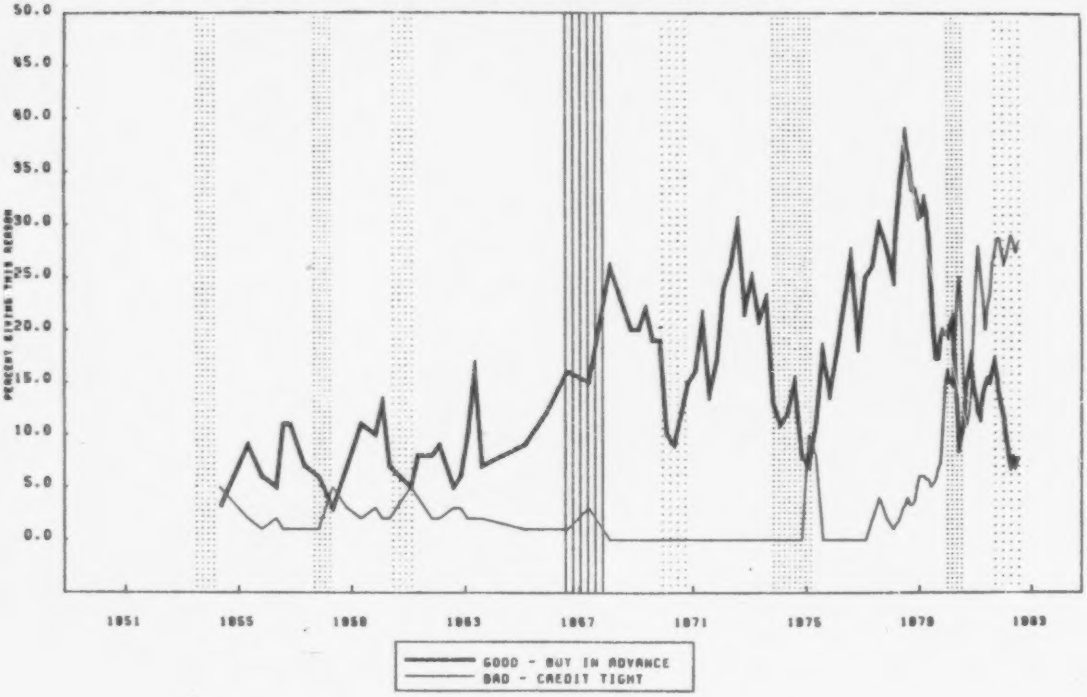
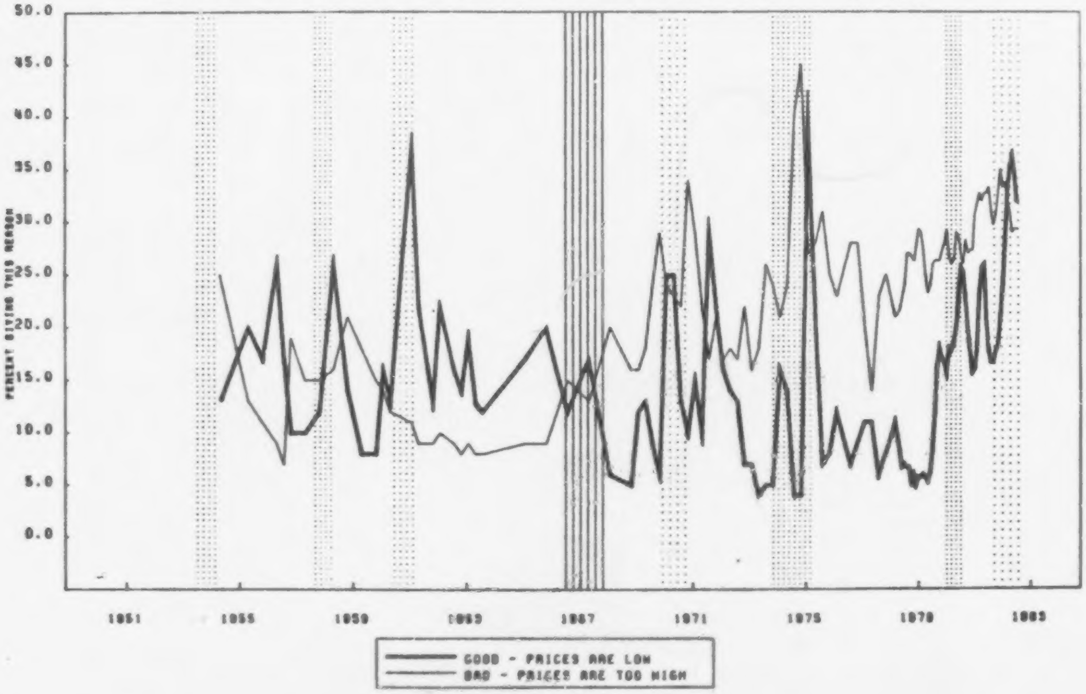


CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



## TABLE 31

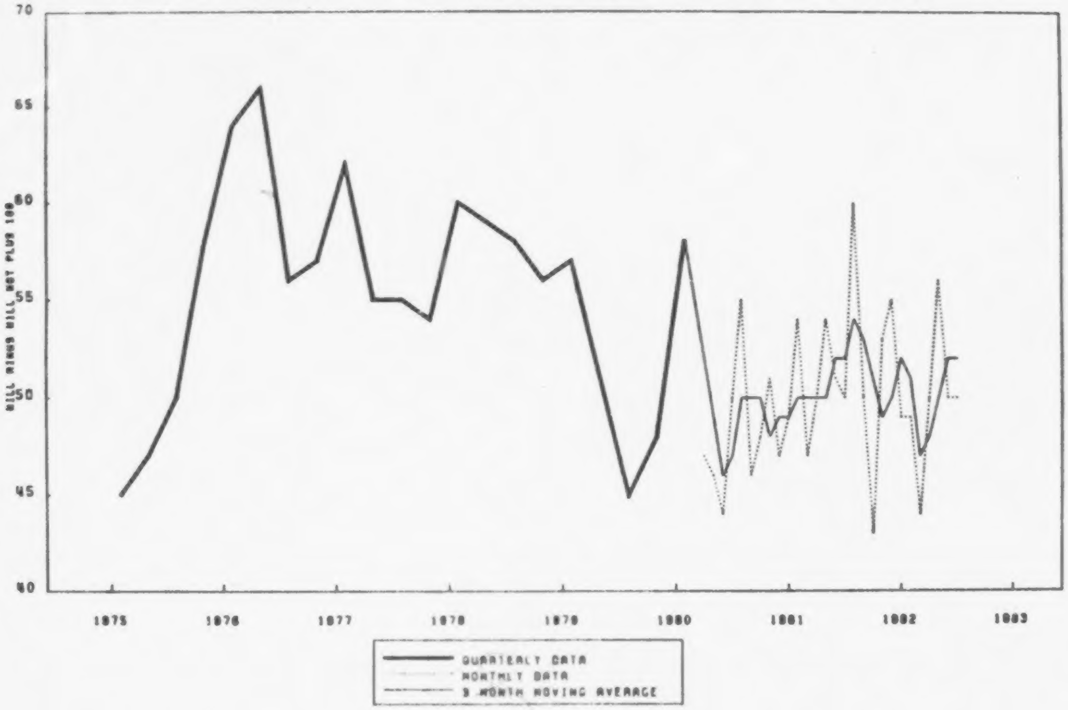
## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 17% | 19% | 14% | 20% | 21% | 22% | 29% | 33% | 37% | 36% | 36% | 32% | 28% |
| Prices won´t come down; are going higher | 18 | 18 | 15 | 14 | 12 | 12 | 11 | 6 | 8 | 7 | 8 | 6 | 9 |
| Interest rates low; credit is easy | 3 | 5 | 6 | 4 | 5 | 5 | 6 | 3 | 3 | 7 | 11 | 7 | 5 |
| New fuel efficient models | 5 | 4 | 4 | 2 | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 1 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 33 | 26 | 30 | 36 | 32 | 37 | 31 | 33 | 32 | 28 | 27 | 33 | 28 |
| Interest rates are high; credit is tight | 25 | 26 | 31 | 29 | 26 | 27 | 26 | 28 | 30 | 29 | 26 | 27 | 32 |
| Lack of purchasing power | 6 | 5 | 8 | 7 | 8 | 13 | 13 | 12 | 16 | 13 | 11 | 11 | 13 |
| Price of gas; shortages | 3 | 4 | 3 | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 2 | 2 |
| Poor selection; quality | 11 | 8 | 9 | 8 | 10 | 9 | 8 | 9 | 7 | 8 | 6 | 10 | 10 |

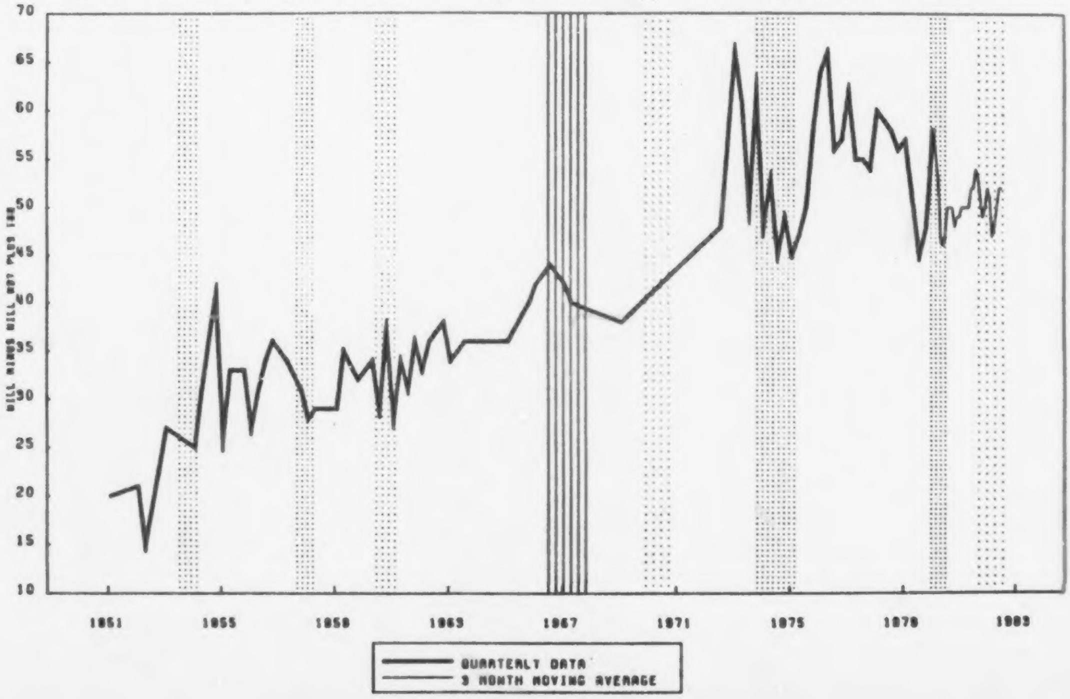
Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

## CHART 32 - RECENT CHANGES
## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS



## CHART 32 - HISTORICAL SERIES
## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS



## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 14% | 19% | 17% | 14% | 19% | 19% | 16% | 17% | 14% | 17% | 19% | 18% | 16% |
| CHANCES ARE EVEN | 7 | 7 | 3 | 7 | 6 | 7 | 8 | 7 | 7 | 6 | 8 | 7 | 8 |
| PROBABLY WILL NOT BUY | 64 | 59 | 67 | 70 | 66 | 64 | 67 | 68 | 70 | 67 | 63 | 68 | 66 |
| DK,NA | 15 | 15 | 13 | 9 | 9 | 10 | 9 | 8 | 9 | 10 | 10 | 7 | 10 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 694 | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

# TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 21% | 26% | 20% | 21% | 25% | 26% | 24% | 24% | 21% | 23% | 27% | 25% | 24% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 9 | 12 | 9 | 10 | 11 | 11 | 9 | 11 | 11 | 11 | 13 | 9 | 11 |
| Buy used | 9 | 11 | 9 | 9 | 12 | 13 | 13 | 11 | 9 | 11 | 11 | 13 | 11 |
| Lease | 2 | 2 | 1 | 1 | * | 1 | 1 | 1 | * | 1 | 1 | 2 | 1 |
| DK,NA | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | * | 2 | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 5 | 3 | 2 | 4 | 2 | 1 | 5 | 3 | 1 | 4 | 4 | 2 | 6 |
| Next 4-6 months | 6 | 7 | 4 | 6 | 6 | 5 | 7 | 6 | 5 | 7 | 7 | 5 | 6 |
| Next 7-9 months | 2 | 3 | 5 | 3 | 8 | 10 | 6 | 7 | 5 | 6 | 7 | 6 | 3 |
| 10 months or more | 3 | 7 | 5 | 4 | 4 | 6 | 3 | 5 | 6 | 2 | 3 | 7 | 4 |
| DK,NA | 5 | 6 | 4 | 4 | 5 | 4 | 3 | 3 | 4 | 4 | 6 | 5 | 5 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

## TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | July 1981 | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 64% | 59% | 67% | 70% | 66% | 64% | 67% | 68% | 70% | 67% | 63% | 68% | 66% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 35 | 34 | 33 | 38 | 34 | 33 | 36 | 37 | 38 | 39 | 34 | 37 | 38 |
| Would buy used | 27 | 23 | 31 | 29 | 29 | 29 | 30 | 28 | 31 | 26 | 28 | 29 | 25 |
| DK,NA | 2 | 2 | 3 | 3 | 3 | 2 | 1 | 3 | 1 | 2 | 1 | 2 | 3 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 4 | 7 | 5 | 5 | 7 | 6 | 7 | 5 | 10 | 5 | 5 | 6 | 4 |
| 2 years | 19 | 18 | 23 | 20 | 18 | 22 | 23 | 22 | 22 | 21 | 20 | 25 | 20 |
| 3 years | 11 | 10 | 10 | 11 | 8 | 9 | 12 | 11 | 11 | 12 | 11 | 13 | 13 |
| 4 years or more | 18 | 18 | 21 | 24 | 19 | 19 | 19 | 22 | 21 | 22 | 19 | 16 | 21 |
| Indefinite | 5 | 1 | 2 | 4 | 4 | 3 | 3 | 1 | 1 | 1 | 2 | 3 | 2 |
| DK,NA | 7 | 5 | 6 | 6 | 10 | 5 | 3 | 7 | 5 | 6 | 6 | 5 | 6 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

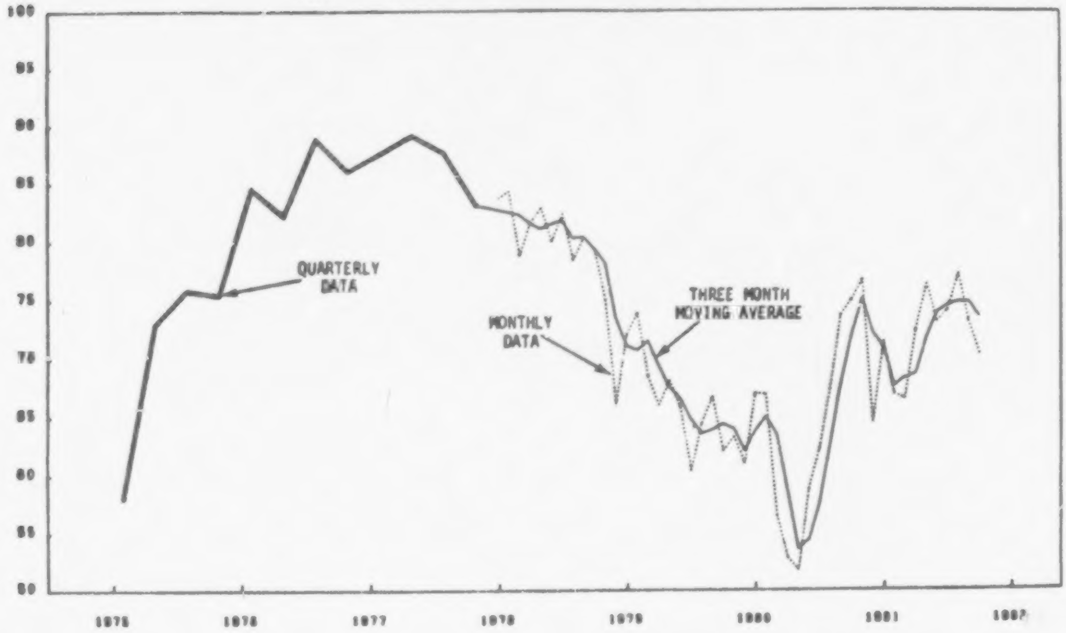
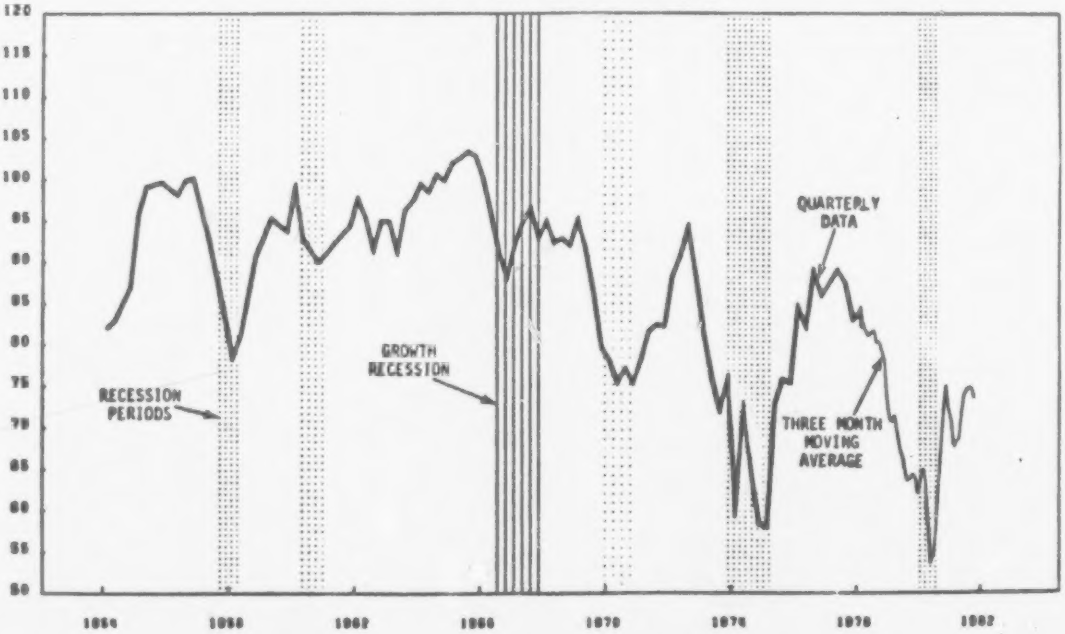


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

## TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 -

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

# SUMMARY

U7475-2

August 4, 1982

JULY 1982 MONTHLY REPORT

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## TAX CUT STIMULUS FADES

** In the July 1982 survey, the Index of Consumer Sentiment was 65.4, unchanged from June (65.7), and significantly below the year earlier reading (74.1). The Index has remained largely unchanged during the past six months, due to persistent concerns over unemployment and interest rates.

** In the July 1982 survey, attitudes toward buying conditions in the car and housing markets remained at the very unfavorable levels recorded during the past year. High interest rates--mentioned by near record numbers in both the car and housing markets--continued to be the principal reason for these unfavorable views.

** Lower prices have attracted the attention of consumers, but high interest rates have led to the postponement of purchases on a widespread scale (30 percent of all families), with vehicles being the most frequently postponed purchase in the July survey (12 percent). Postponement has been encouraged recently by the expectation of lower interest rates in the year ahead.

** Consumer opinions toward the Reagan tax cut program have shifted since last year. In the July 1982 survey, fewer consumers expected their take-home pay to increase because of the tax reduction (31, down from 46 percent). Among those that expected an increase in disposable income, the amount of the increase was less than half of the amount expected in 1981 ($22 per month, down from $50). The planned use of the extra income has also shifted toward spending and away from saving, although the increase in spending was to meet current needs and everyday expenses rather than new major purchases.

** Consumers more frequently reported that they had heard of increases in unemployment in the July 1982 survey than at any other time in the history of these surveys (52 percent). The current high level of unemployment is expected to persist in the year ahead by 83 percent of all families.

** In the July 1982 survey, people thought that unemployment rather than inflation represented the more serious economic hardship by the widest margin recorded since the question was introduced in the mid 1970s. Opinions about government economic policy remain at the lowest level under the current administration in the July 1982 survey.

* * *

These data indicate that consumer spending for large discretionary items will not soon provide the stimulus required to insure a vigorous and lasting recovery. Due to high interest rates, buying attitudes have remained unfavorable despite the greater attraction of lower prices. Postponement remains widespread, and has been recently exacerbated by the expectation of lower interest rates during the year ahead. The Reagan tax cut is unlikely to provide the stimulus required to overcome resistance to high interest rates, especially on large purchases. Greater sales gains in nondurables and services are likely compared with consumer purchases of vehicles and houses.

Monitoring Economic Change Program
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## Buying Attitudes Remain Unfavorable

Attitudes toward buying conditions for houses have remained at record unfavorable levels for more than a year (see Chart A). The July 1982 survey found attitudes toward home buying more unfavorable than at any time during the first six months of 1982, and nearly equal the all-time record low reached in November 1981. Among all families, 76 percent reported that home buying conditions were unfavorable in July, up from 72 percent in June 1982, and just below the record 79 percent recorded in November 1981. During the past 12 months, each survey found that more than 70 percent of all households held unfavorable home buying attitudes. When respondents were asked to explain their views on buying conditions for houses, one reason dominated all others: high interest rates, mentioned by 82 percent of all families in the July 1982 survey, up from 75 percent in June, and nearly equal the all-time record of 83 percent in November 1981. Despite the dominance of high interest rates, attitudes toward housing prices have improved during the past year. In July 1982, 12 percent of all families mentioned the availability of lower prices, up from 5 percent in July 1981, while the proportion that referred to high prices unfavorably fell to 21 percent from 30 percent one year earlier. Very few respondents (just 4 percent in July 1982) mentioned the appeal of advance buying based on expected price increases in housing, down from 10 percent one year earlier. These responses represent a sharp reversal from the late 1970s, when one third of all respondents cited buy-in-advance price rationales concerning the housing market, and just 10 percent mentioned high interest rates.

Attitudes toward buying conditions for cars have remained at depressed levels throughout the past year (see Chart B). During the past 12 months, the proportion of families that reported favorable car buying conditions ranged from 34 to 44 percent, while the proportion that reported unfavorable conditions was consistently higher and ranged from 46 to 56 percent. Since May 1982, when car buying attitudes reached their most favorable level of the past year, consecutive monthly declines have been recorded. From May to July 1982, the proportion that held favorable car buying attitudes fell from 44 to 37 percent, while the proportion that held unfavorable attitudes tose from 46 to 52 percent. Underlying the recent changes in attitudes, fewer respondents mentioned the availability of rebates and price discounts in July 1982 (28 percent) than in May (36 percent). And fewer respondents mentioned the availability of lower interest rates on car purchases (falling from 11 to 5 percent). At the same time, the proportion that cited aversion to high interest rates rose from 26 percent in May to 32 percent in July 1982--which set a new record level in unfavorable mentions of interest rates for the automobile market. The prior record number of respondents that cited high interest rates was 31 percent, in September 1981. Since July 1981, each monthly survey has recorded at least one-in-four families mentioning high interest rates. In comparison with prior recessions, the proportion of families that complained of high interest rates for autos reached a peak of 20 percent in August 1970 and just 12 percent in the November 1974 survey. As with the housing market, consumer attitudes toward prices for automobiles have shifted. In comparison with one year earlier, the July 1982 survey recorded more frequent references to lower prices (28 percent, up from 17 percent), and less frequent mentions of high prices (28 down from 33 percent). In addition, the appeal of buying-in-advance of future car price increases fell to 9 percent in July 1982, down from 18 percent one year earlier, and from the 30 to 40 percent level in the late 1970s.

In contrast to the housing and car markets, attitudes toward buying conditions for large household durables posted a significant one-month improvement in the July 1982 survey, although they remained at a somewhat less favorable level than in the July 1981 survey. The proportion of all families that held favorable buying attitudes toward durable goods rose to 48 percent in July, from 43 percent in June 1982, but remained below the 53 percent recorded one year earlier. Unfavorable attitudes toward buying conditions for durables fell to 38 percent in July from 44 percent in June 1982, but remained somewhat above the 35 percent recorded in July 1981. The recent improvement in overall attitudes toward durable market conditions can be traced to the increased appeal of lower prices, and less frequent reports of high prices making conditions unfavorable. Complaints about high interest rates charged for durables purchases made on credit remained unchanged in the July survey from one month earlier (24 percent).

### Purchase Postponement Remains Widespread

In the July 1982 survey, 30 percent of all families reported that they had postponed a purchase due to high interest rates during the past six months, down from 33 percent in early 1982 (see Table A). Although the incidence of postponement has declined from a peak of 37 percent recorded in November 1981, thus far the improvement has been moderate and the change in perceived and acceptable interest rates has been negligible. The most frequently postponed purchases reported in July 1982 were vehicles (12 percent), followed by houses and durables (each 9 percent). In the July 1982 survey, consumers reported that the interest rate on the purchases that they had decided to postpone would have been 17.7%, while the highest rate they would have been willing to pay was 12.0%. Both of these figures are comparable to those recorded in the prior surveys (see Table B), although the gap between the perceived and acceptable interest rates has grown one percentage point since October 1981, and now stands at 5.6%.

The widespread postponement of purchases due to the current high interest rates have been encouraged by the expectation of interest rate declines in the year ahead. Consumers expected interest rates to decline rather than to increase during the year ahead by a margin of 32 to 24 percent in the July 1982 survey. This represents a significant improvement from one year ago, when consumers expected interest rate increases rather than declines by the margin of 38 to 29 percent.

## Tax Cut Stimulus?

How will the latest installment of the tax cut legislation affect consumers' willingness to make discretionary purchases? In the July 1982 survey, respondents were asked whether they expected their monthly take-home income to change as a result of the tax legislation, repeating questions asked in 1981 and earlier surveys (see Table C). In the July 1982 survey, fewer respondents reported that they expected their incomes to increase (31 percent) than in the April-May 1981 surveys (46 percent). Not only did the proportion expecting income increases decline from about one-half to one-third during the past year, the expected amount of the increase in disposable income has also declined sharply. Among those families that expected increases in their take-home pay, the median monthly expected increase was just $22 in July 1982, less than half the $50 expected in April-May 1981.

When asked whether they planned to save or spend the increase in after-tax income, families more frequently reported spending plans in July

1982 (35 percent), than in April-May 1981 (25 percent). The entire increase in spending plans was related to meeting current needs and expenses, however, not to making major new purchases such as household durables, vehicles, and home additions and repairs. Fewer respondents expected to save the extra income, the proportion falling to 32 percent from 41 percent in 1981. Although spending rather than saving plans increased during the past year, since fewer families expected smaller increases, the net spending stimulus was left unchanged. Moreover, the increase in spending was planned to cover current needs and "everyday" expenses, not major new purchases, consistent with the large decrease in the expected amount of the tax reduction.

In comparison with the Kennedy-Johnson tax cut, the greatest difference in the planned use of the tax reduction involves debt repayment. In 1963, just 12 percent planned to use increases in after-tax income to repay debt, compared with 24 percent in the July 1982 survey. Savings and investment plans were held by 44 percent of all families in 1963, but by 33 percent in July 1982. If intentions for saving and debt repayment are combined (both are forms of savings), then the saving related motives in 1982 were identical to the 1963 reading of 56 percent.

## Unemployment Engulfs Economy

When asked about recent developments in business conditions, the largest proportion ever recorded in these surveys reported having heard about increases in unemployment. Among all families, 52 percent spontaneously mentioned increases in unemployment when asked about news of the economy in the July 1982 survey, up from just 16 percent in July 1981, and above the prior recession peak of 50 percent in June 1980 and 47 percent in February 1975. Unemployment was expected to increase further by 48 percent of all families in the July 1982 survey, unchanged from the one month earlier reading, and significantly above the 36 percent recorded in July 1981. Unemployment expectations have remained essentially unchanged at these unfavorable levels throughout the first half of 1982.

When asked to evaluate the relative impact of unemployment or inflation, unemployment was chosen as the greater economic hardship by 67 percent of all respondents. Only 21 percent singled out inflation as the greater hardship. The more than three-to-one margin of concern with unemployment over inflation sets a new record level, slightly above the prior record set in the March and April 1982 surveys and well above the May 1975 reading of 65 percent versus 29 percent.

In each of the monthly surveys conducted thus far in 1982, about eight-in-ten respondents reported that the economy had worsened. Among all families, 83 percent reported worsened business conditions in July 1982, up from 47 percent in the year earlier survey. During the past year, the proportion that thought business conditions had improved over the prior 12 months fell to just 7 percent from 32 percent.

Expectations for future improvement in business conditions were less optimistic in the July 1982 survey than one month or one year earlier, but on balance remained favorable. Families more frequently expected business conditions to improve (33 percent) than to worsen (25 percent) in the year ahead. Despite the small expected improvement in business conditions, good times financially in the economy as a whole were not expected to return at any time soon. Among all families, 70 percent reported in July 1982 that they expected bad times financially in the economy as a whole during the next 12 months. The proportion of families that expected bad times financially during the next year rose from 54 to 70 percent from the July 1981 to July 1982 surveys. Expectations about business conditions during the next five years were also unfavorable in the July 1982 survey. Among all families, 59 percent expected bad times financially in the economy as a whole over the longer term, while 22 percent expected good financial times. In comparison with the sharp rise in unfavorable short term business evaluations, unfavorable expectations about long term business conditions rose only slightly in the July 1982 survey over the year earlier reading (59 from 57 percent). Consequently, short term business expectations have grown significantly more pessimistic while long term business expectations have remained largely unchanged.

Evaluations of government economic policy improved slightly from June to July 1982, but remain at the lowest levels of the present administration. In the July 1982 survey, 18 percent reported that the government was doing a good job, up from 16 percent in June, but well below the 28 percent recorded in July 1981. Almost twice as many respondents gave an unfavorable rating of government economic policy in July 1982 (34 percent) than in July 1981 (21 percent). For the second consecutive month, more respondents made unfavorable (14 percent) than favorable (13 percent) mentions of the impact of government policy on business conditions during the coming year. One year ago, the July 1981 survey recorded almost twice as many favorable (21 percent) as unfavorable (11 percent) responses.

## Income Declines Weaken Personal Finances

Despite lower rates of inflation and lower tax rates, consumer evaluations of their current financial situation have grown less favorable during the past year. In July 1982, families more frequently reported that their financial situation had worsened rather than improved by the margin of 41 to 31 percent. One year ago, nearly equal numbers of respondents reported improvement as well as declines (35 versus 34 percent). Lower income was the major reason given by respondents for their worsened financial situation--reported by 23 percent of all families in July 1982, the highest level in two decades.

Future improvement in personal finances was less frequently expected in July 1982 (30 percent) than one month earlier (34 percent), and was just above the year earlier level (29 percent). Nonetheless, favorable expectations were more frequent than unfavorable evaluations in the July 1982 survey by a 30 to 17 percent margin. Like the impact of unemployment and income declines on the current financial situation of consumers, the recent decline in favorable financial expectations is due to less favorable income expectations. Expected growth in nominal family income has declined sharply during the past year, with the overall median family increase falling from 5 to 3 percent. In July 1982, 43 percent of all families expected their incomes to remain unchanged or decline in the year ahead, up from 37 percent in July 1981. At the same time, the proportion of consumers that expected income gains of 10% or more fell from 31 to 23 percent during the past year.

Concern with unemployment and income declines has led most consumers to remain cautious in their spending plans. Most consumers are not yet willing to incur new debt or use accumulated savings to make large purchases. Compared with mid-1981, fewer families were willing to use accumulated savings to make large purchases, and more were reluctant to use credit (see Table D). In the July 1982 survey, 72 percent of all consumers reported that they were reluctant to draw on accumulated savings, up from 66 percent one year earlier. Just 26 percent of all families reported that they were not reluctant to use accumulated savings for major purchases, down from 31 percent in July 1981. When asked about their readiness to use credit to finance new purchases, just 11 percent of all families in the July 1982 survey reported that they were not reluctant to incur new debt. Overall, consumers expressed greater reluctance to draw on savings or incur new debt to finance purchases in mid-1982 than during the prior year.

## Summary Outlook

The outlook for consumer spending remains mixed at midyear 1982. When the several aspects of consumer attitudes and expectation each point in the same direction--whether optimistic or pessimistic--a greater measure of confidence can be taken in the results. Significant divergences, however, exist among the several attitudes and expectations in the first half of 1982. More favorable personal finances point toward increased spending, but the unfavorable expectations about the economy, especially unemployment, have made consumers more cautious in their spending plans. Overall buying attitudes have remained near record low levels due to high interest rates, though price reductions and discounts would otherwise have led consumers to hold favorable buying attitudes.

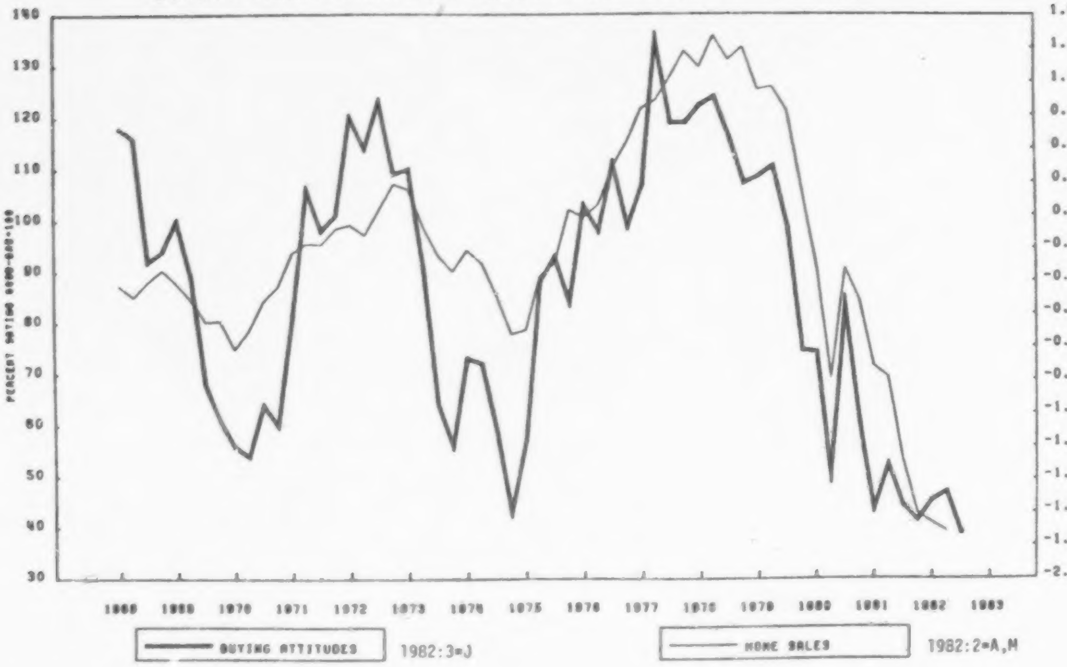
These data indicate that the recovery in consumer spending will be slow and uneven. Greater sales gains in nondurables and services are likely relative to gains in consumer purchases of vehicles and houses. Insofar as the recent tax cut is financed by government borrowing and results in higher market interest rates, noncredit spending will be favored. The sales pace of large discretionary purchases will continue to be dominated by interest rate trends. The expected moderation in inflation and interest rates has made tomorrow's purchase more attractive than today's.

* * *

The July 1982 survey included 708 interviews conducted between June 24 and July 25th.

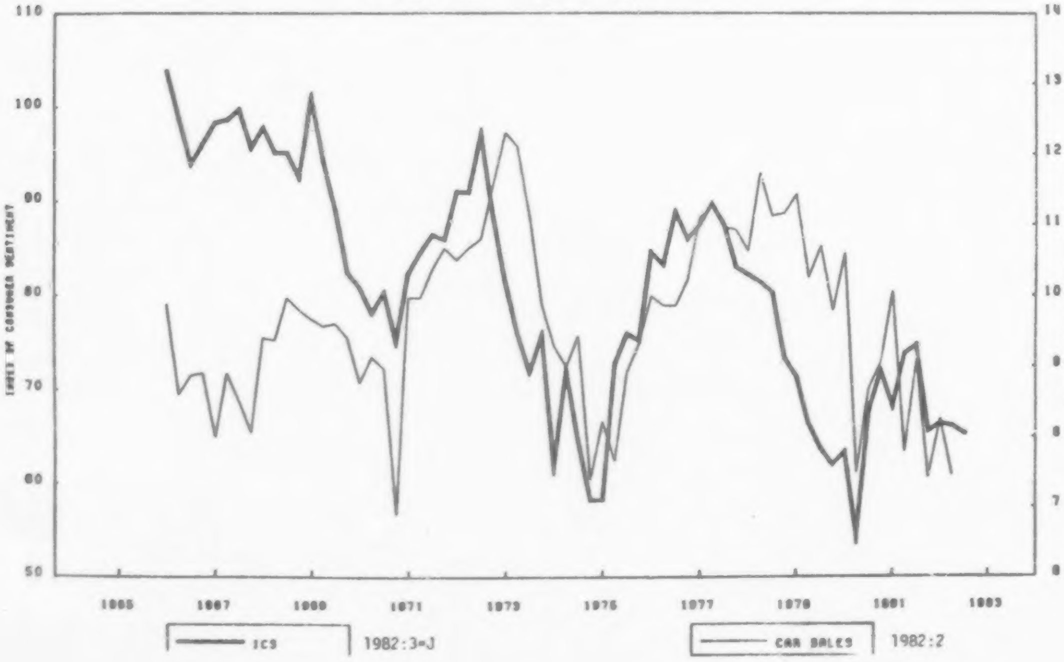
## CHART A

### BUYING CONDITIONS FOR HOUSES AND TOTAL HOME SALES



## CHART B

### THE INDEX OF CONSUMER SENTIMENT AND TOTAL UNIT CAR SALES



## TABLE A

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | June 1980 | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 | May 1982 | July 1982 |
|---|---|---|---|---|---|---|---|---|
| Postponed Purchases:[a] | 15% | 30% | 37% | 33% | 33% | 33% | 31% | 30% |
| Vehicles | 5 | 11 | 15 | 12 | 10 | 12 | 12 | 12 |
| House, home repairs | 2 | 11 | 15 | 10 | 11 | 12 | 11 | 9 |
| Household durables | 7 | 8 | 8 | 10 | 10 | 8 | 7 | 9 |
| Other | 1 | 4 | 5 | 6 | 7 | 8 | 5 | 5 |
| Did not postpone purchase | 84 | 67 | 62 | 66 | 66 | 67 | 68 | 68 |
| Don't know, not ascertained | 1 | 3 | 1 | 1 | 1 | * | 1 | 2 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

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*Less than half of one percent.

[a] Items may add to more than total, due to multiple mentions.

See Table B for question wording.

## TABLE B

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 | May 1982 | July 1982 | July 1982 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Vehicles | House, Real Estate | Household Durables |
| Postponed Purchases | | | | | | | | | | |
| All households | 30% | 37% | 33% | 33% | 33% | 31% | 30% | 12% | 9% | 9% |
| Interest rate that would have been charged on postponed purchase | | | | | | | | | | |
| Median | 17.3% | 17.6% | 17.5% | 17.8% | 17.5% | 17.5% | 17.7% | 17.6% | 17.4% | 18.0% |
| Highest interest willing to pay to make purchases | | | | | | | | | | |
| Median | 11.8% | 12.0% | 12.0% | 12.0% | 12.1% | 11.7% | 12.0% | 11.8% | 11.9% | 12.0% |
| Difference between interest rate charged and willing to pay | | | | | | | | | | |
| Median | 4.6% | 5.0% | 4.9% | 5.3% | 4.9% | 5.3% | 5.6% | 5.1% | 5.8% | 5.7% |

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The questions asked were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October 1981 to July 1982: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest rate at which you would have purchased (ITEM)?"

## TABLE C

## EXPECTED CHANGE IN MONTHLY TAKE-HOME PAY IF PERSONAL INCOME TAX REDUCTIONS ARE ADOPTED

| Expect Take-home Pay to... | 1963 | April-May 1981 | July 1982 |
|---|---|---|---|
| Increase | NA | 46% | 31% |
| Stay the same | | 40 | 53 |
| Decrease | | 2 | 4 |
| Does not pay taxes | | 6 | 9 |
| Don't know | | 2 | 1 |
| Not ascertained | | 4 | 2 |
| Total | | 100% | 100% |
| Cases | | 1224 | 708 |
| **Expect Increase in Monthly Take-home Pay** | | | |
| Median | NA | $50 | $22 |
| Mean | NA | 80 | 37 |
| **Planned Use of Increase in Take-home Pay** | | | |
| Spend | 31% | 25% | 36% |
| New purchases | NA | 8 | 9 |
| Current expenses | NA | 17 | 27 |
| Repay debt | 12 | 21 | 24 |
| Save, invest | 44 | 41 | 33 |
| Both spend and save | 9 | 4 | 3 |
| Don't know, not ascertained | 4 | 9 | 4 |
| Total | 100% | 100% | 100% |

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The questions were: (April-May 1981) "If the personal income tax reductions were actually passed, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?" "What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

(July 1982) "As a result of the 1982 federal tax cut, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?" "What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

(1963) "Suppose that income taxes are cut, so that next year everyone will more of his money left after taxes--what do you think most people would do with this money?"

## TABLE D

## OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

| | Feb. 1977 | Feb. 1978 | Feb. 1979 | Feb. 1980 | Feb. 1981 | July 1981 | July 1982 |
|---|---|---|---|---|---|---|---|
| **a) Use of Savings** | | | | | | | |
| OK to use savings; not especially reluctant | 37% | 32% | 32% | 38% | 26% | 31% | 26% |
| Pro-con | 5 | 3 | 3 | 1 | 3 | 1 | 1 |
| Not OK to use savings; especially reluctant | 56 | 62 | 63 | 54 | 69 | 66 | 72 |
| DK, NA | 4 | 3 | 2 | 7 | 2 | 2 | 1 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Cases | 1097 | 1135 | 1228 | 901 | 637 | 688 | 650 |
| **b) Use of Credit** | | | | | | | |
| OK to use credit; not especially reluctant | 22% | 20% | 16% | 19% | 12% | 12% | 11% |
| Pro-con | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Not OK to use credit; especially reluctant | 71 | 77 | 82 | 80 | 85 | 84 | 86 |
| DK, NA | 5 | 1 | 1 | * | 2 | 3 | 2 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Cases | 1203 | 1276 | 1361 | 1019 | 668 | 694 | 708 |

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The questions were: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?" and "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

## APPENDIX

## REVISED ESTIMATES OF PRICE EXPECTATIONS

During the past several years price expectations have declined considerably, and by early 1982 one-in-three respondents expected prices to remain unchanged or decline during the year ahead. Although the questionnaire wording refers to changes in the level of prices, some respondents could misinterpret the question as referring to the rate of inflation. In this event, a "same" response would not indicate a zero rate of increase, but the perceived past rate of inflation. The net effect would be to bias downward the estimated overall mean rate of expected inflation. Because of the greatly increased frequency of "same" responses in recent months, the March through July 1982 surveys specifically probed respondents that initially gave "same" responses as to whether they meant the rate or the level of prices would remain the same. Of the 30 percent that initially reported "same" responses in July, 19 percent replied that they meant prices would remain at the same level, but 11 percent replied that they meant prices would increase at the same rate (see Table 1). Consequently, the estimated proportion of families in July that expected price increases rose from 64 to 75 percent following the use of this probe.

When respondents were probed for the percentage rate that they meant by the "same rate," the extent of bias in the estimated mean price increases due to the misinterpretation of "same" responses was +0.7 percentage points in the July 1982 survey (5.3% mean increase when initial "same" responses were coded as a zero rate of inflation versus 6.0% after the adjustment). The extent of the potential bias is dependent on the overall frequency of "same" responses. For example, in March 1979 only 3 percent reported that they expected prices to remain "the same," while the July 1982 survey recorded 30 percent "same" responses, a level exceeded in only one other survey between 1961 and 1981. Consequently, the bias in estimated means is unlikely to exceed 1.0 percentage points.

Preliminary adjustments to the surveys conducted prior to March 1982 were established as follows: the ratio of "same rate" to "same level" responses observed from March through July 1982 was used to estimate the proportion of "same rate" responses in earlier surveys. The estimated proportion of "same rate" responses were then reassigned from a zero rate of inflation to the mean percentage response among those that initially expected price increases. As shown in Table 2 the new estimated mean was only 0.1 percentage points higher in the March 1979 survey, but has averaged between 0.6 and 0.8 percentage points during the past year.

TABLE 1

NEW MEASURES OF PRICE EXPECTATIONS

| | Expected Price Changes During the Next Year | | | | |
|---|---|---|---|---|---|
| | March 1982 | April 1982 | May 1982 | June 1982 | July 1982 |
| Increase | 57% | 55% | 51% | 58% | 64% |
| Same rate | 9 | 9 | 10 | 10 | 11 |
| Same level | 22 | 22 | 27 | 23 | 19 |
| Go down | 10 | 11 | 9 | 7 | 4 |
| DK; NA | 2 | 3 | 3 | 2 | 2 |
| Total | 100% | 100% | 100% | 100% | 100% |

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The questions were: "During the next 12 months do you think that prices in general will go up, or go down, or stay where they are now?" (IF SAME) "Do you mean that prices will go up at the same rate as now, or that prices in general will not go up during the next 12 months?" (IF UP/DOWN OR SAME RATE) "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

TABLE 2

EXPECTED PRICE CHANGES DURING THE NEXT YEAR

| Survey Dates | | Old Series | New Preliminary Estimates | Difference |
|---|---|---|---|---|
| March | 1979 | 9.7% | 9.8% | 0.1 |
| March | 1980 | 12.0 | 12.4 | 0.4 |
| March | 1981 | 7.0 | 7.5 | 0.5 |
| April | 1981 | 8.1 | 8.8 | 0.7 |
| May | 1981 | 7.6 | 8.2 | 0.6 |
| June | 1981 | 6.6 | 7.3 | 0.6 |
| July | 1981 | 6.7 | 7.4 | 0.7 |
| August | 1981 | 6.5 | 7.1 | 0.6 |
| September | 1981 | 7.5 | 8.3 | 0.8 |
| October | 1981 | 7.2 | 7.9 | 0.7 |
| November | 1981 | 7.7 | 8.4 | 0.7 |
| December | 1981 | 5.6 | 6.3 | 0.7 |
| January | 1982 | 5.4 | 6.2 | 0.8 |
| February | 1982 | 5.3 | 6.1 | 0.8 |
| March | 1982 | 5.3 | 6.0 | 0.7 |
| April | 1982 | 4.7 | 5.4 | 0.7 |
| May | 1982 | 4.3 | 5.0 | 0.7 |
| June | 1982 | 5.1 | 5.9 | 0.8 |
| July | 1982 | 5.3 | 6.0 | 0.7 |

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# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

AUGUST 1982

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

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# TABLES AND CHARTS

## AUGUST 1982

The August 1982 survey is the 167th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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## CHART 1 - RECENT CHANGES
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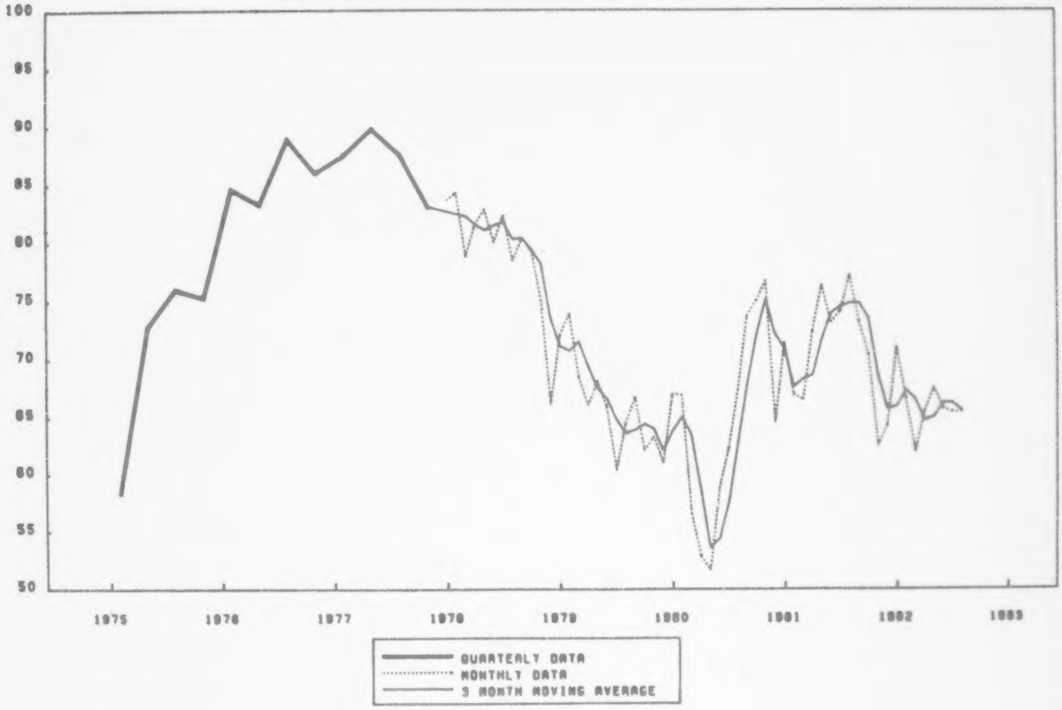

## CHART 1 - HISTORICAL SERIES
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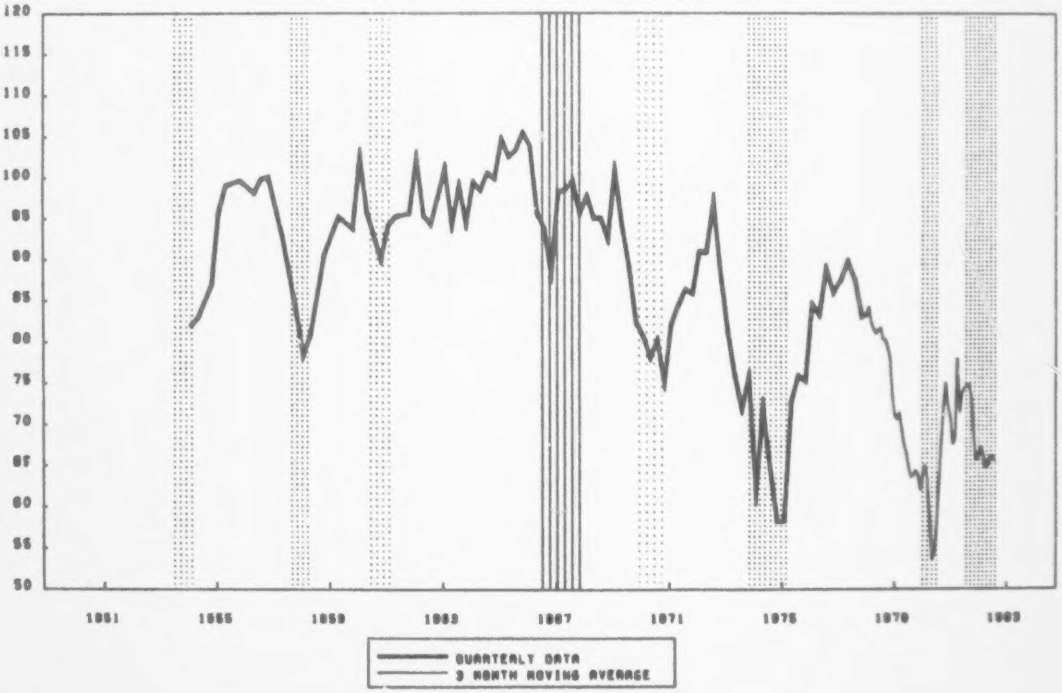


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|
| August 1979 | 64.5 | 70.0 | 71.3 |
| September 1979 | 66.7 | 71.6 | 74.4 |
| October 1979 | 62.1 | 65.6 | 65.5 |
| November 1979 | 63.3 | 68.3 | 69.9 |
| December 1979 | 61.0 | 66.2 | 73.2 |
| January 1980 | 67.0 | 70.8 | 70.9 |
| February 1980 | 66.9 | 70.8 | 73.5 |
| March 1980 | 56.5 | 62.3 | 64.5 |
| April 1980 | 52.7 | 54.2 | 57.2 |
| May 1980 | 51.7 | 55.2 | 53.3 |
| June 1980 | 58.7 | 61.6 | 63.7 |
| July 1980 | 62.3 | 67.6 | 67.3 |
| August 1980 | 67.3 | 70.9 | 74.2 |
| September 1980 | 73.7 | 78.1 | 78.5 |
| October 1980 | 75.0 | 76.3 | 78.7 |
| November 1980 | 76.7 | 82.7 | 87.5 |
| December 1980 | 64.5 | 66.9 | 68.6 |
| January 1981 | 71.4 | 74.8 | 77.1 |
| February 1981 | 66.9 | 74.2 | 77.5 |
| March 1981 | 66.5 | 72.1 | 73.7 |
| April 1981 | 72.4 | 77.1 | 78.0 |
| May 1981 | 76.3 | 80.8 | 85.0 |
| June 1981 | 73.1 | 81.2 | 82.9 |
| July 1981 | 74.1 | 80.8 | 82.1 |
| August 1981 | 77.2 | 82.7 | 85.0 |
| September 1981 | 73.1 | 75.2 | 73.3 |
| October 1981 | 70.3 | 74.5 | 77.9 |
| November 1981 | 62.5 | 67.2 | 66.3 |
| December 1981 | 64.3 | 71.0 | 71.1 |
| January 1982 | 71.0 | 77.9 | 77.8 |
| February 1982 | 66.5 | 71.5 | 72.8 |
| March 1982 | 62.0 | 67.0 | 67.9 |
| April 1982 | 65.5 | 71.5 | 73.2 |
| May 1982 | 67.5 | 72.7 | 74.8 |
| June 1982 | 65.7 | 71.4 | 72.9 |
| July 1982 | 65.4 | 68.9 | 69.2 |
| August 1982 | 65.4 | 71.0 | 73.6 |

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

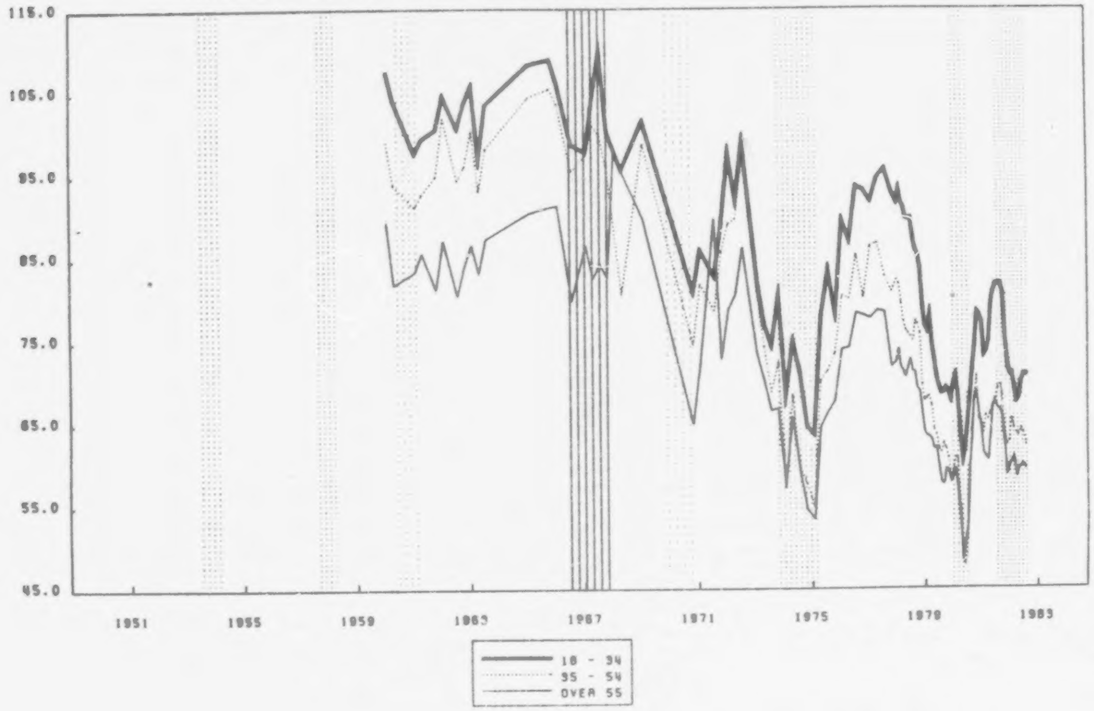


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

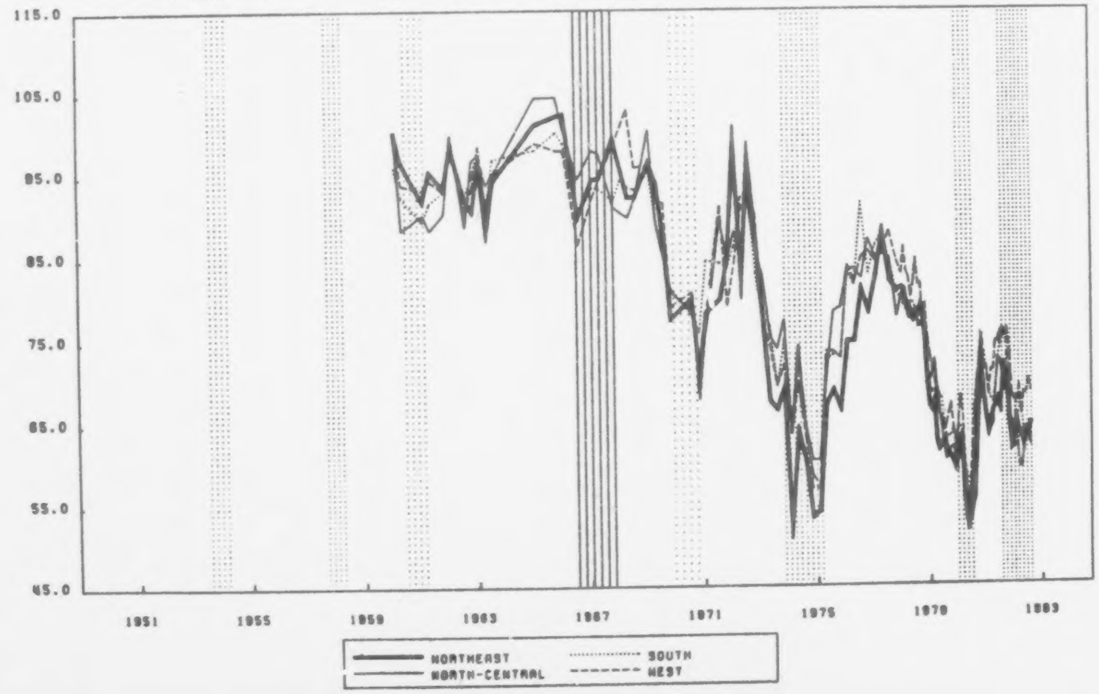


TABLE 2

## INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|
| DATE OF SURVEY | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| August 1979 | 61.7 | 63.0 | 62.9 | 71.7 | 72.1 | 64.0 | 58.2 |
| September 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |
| January 1982 | 68.8 | 67.3 | 72.0 | 76.2 | 76.6 | 67.4 | 68.5 |
| February 1982 | 65.9 | 60.6 | 71.8 | 68.8 | 71.5 | 68.3 | 59.0 |
| March 1982 | 60.5 | 55.8 | 64.7 | 68.2 | 65.5 | 61.4 | 58.8 |
| April 1982 | 67.2 | 64.6 | 65.0 | 65.8 | 70.6 | 65.5 | 60.4 |
| May 1982 | 62.4 | 66.5 | 66.6 | 75.7 | 72.7 | 67.6 | 62.0 |
| June 1982 | 65.4 | 65.0 | 64.9 | 68.6 | 72.4 | 64.4 | 60.3 |
| July 1982 | 65.1 | 64.0 | 63.5 | 71.1 | 73.4 | 63.3 | 60.6 |
| August 1982 | 68.1 | 60.6 | 64.0 | 70.6 | 72.6 | 62.9 | 60.2 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

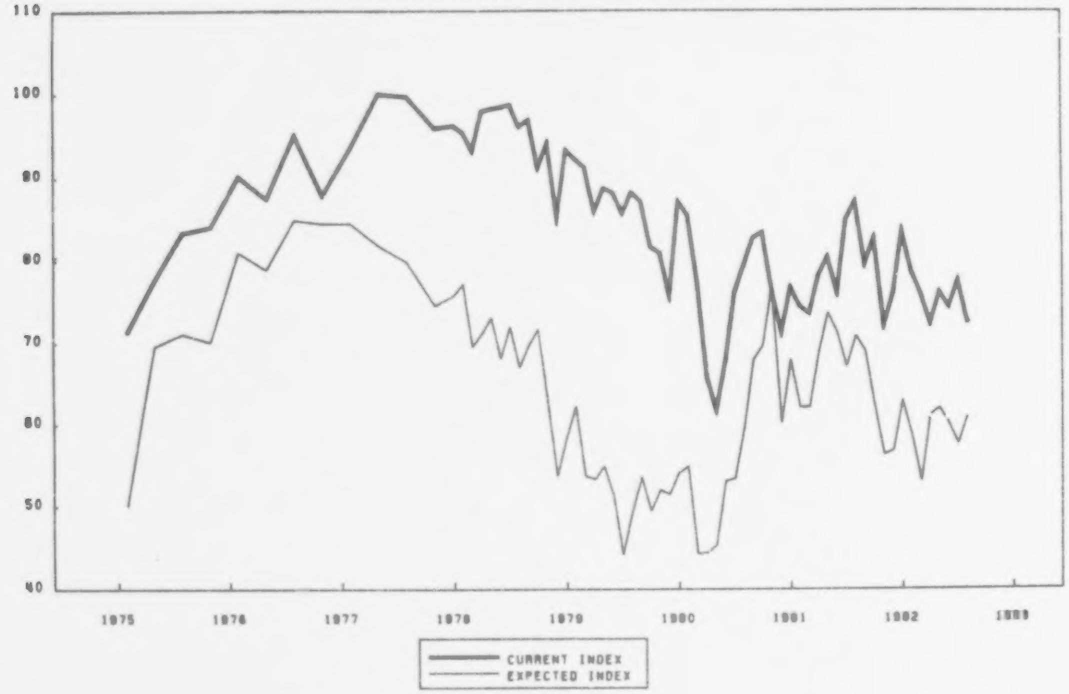


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

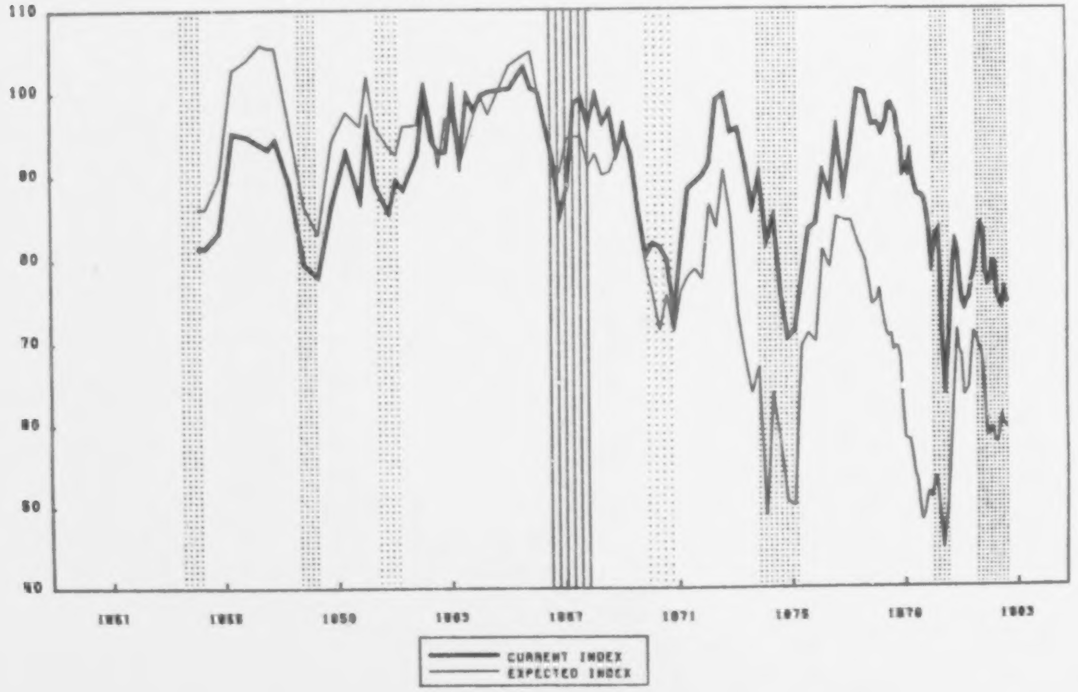


TABLE 3

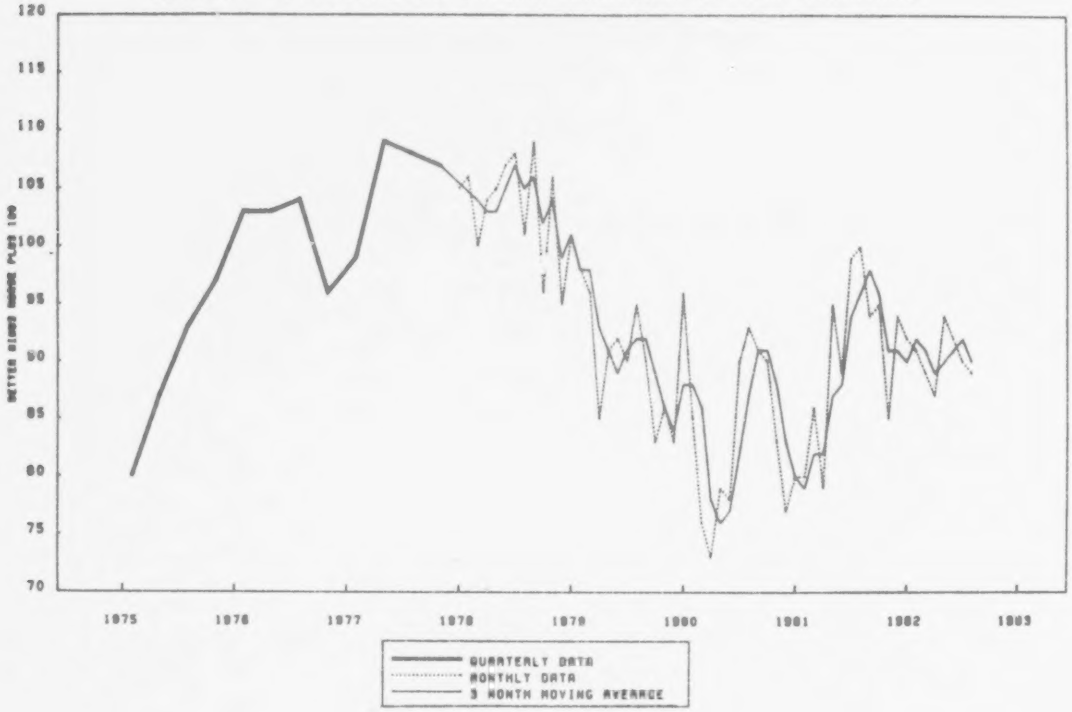
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | Buying conds. | Current Index | Expected Index |
| | Current | Expected | 12 months | 5 years | | | |
| DATE OF SURVEY | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| August 1979 | 95 | 98 | 46 | 48 | 131 | 88.2 | 49.3 |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |
| January 1982 | 92 | 115 | 66 | 70 | 124 | 83.5 | 62.9 |
| February 1982 | 91 | 112 | 56 | 65 | 111 | 78.6 | 58.7 |
| March 1982 | 89 | 106 | 44 | 60 | 106 | 75.9 | 53.1 |
| April 1982 | 87 | 111 | 62 | 70 | 99 | 72.3 | 61.1 |
| May 1982 | 94 | 113 | 62 | 72 | 102 | 76.1 | 62.0 |
| June 1982 | 92 | 116 | 58 | 65 | 99 | 74.3 | 60.1 |
| July 1982 | 90 | 113 | 53 | 63 | 110 | 77.5 | 57.6 |
| August 1982 | 89 | 110 | 64 | 69 | 97 | 72.5 | 60.9 |

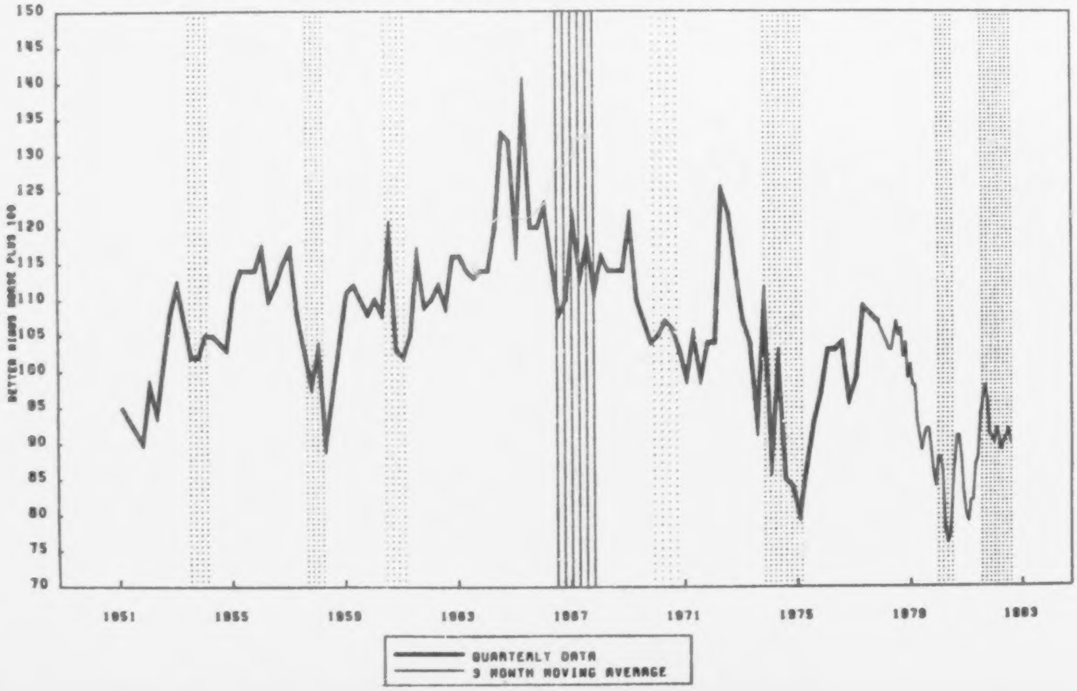
(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES"

## CHART 4 - RECENT CHANGES
## CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## CHART 4 - HISTORICAL SERIES
## CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

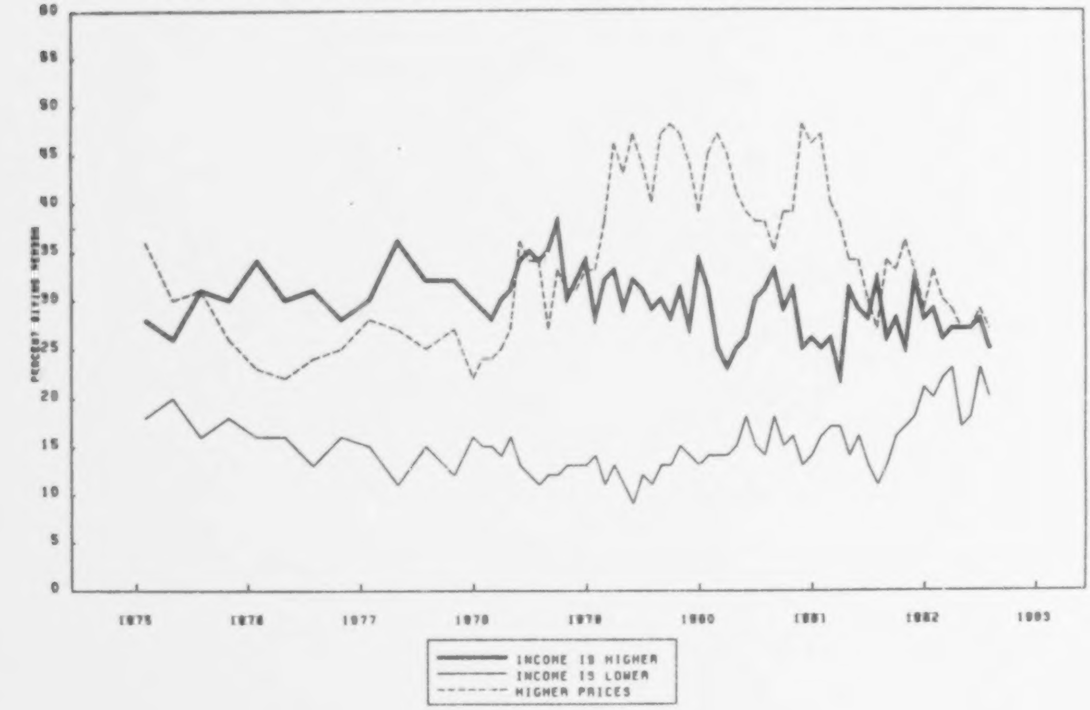
| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 33% | 32% | 31% | 29% | 32% | 32% | 30% | 31% | 27% | 31% | 30% | 31% | 29% |
| SAME | 33 | 29 | 32 | 27 | 29 | 28 | 30 | 27 | 33 | 32 | 32 | 28 | 30 |
| WORSE OFF | 33 | 38 | 36 | 44 | 38 | 40 | 39 | 42 | 40 | 37 | 38 | 41 | 40 |
| DK,NA | 1 | 1 | 1 | * | 1 | * | 1 | * | * | * | * | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

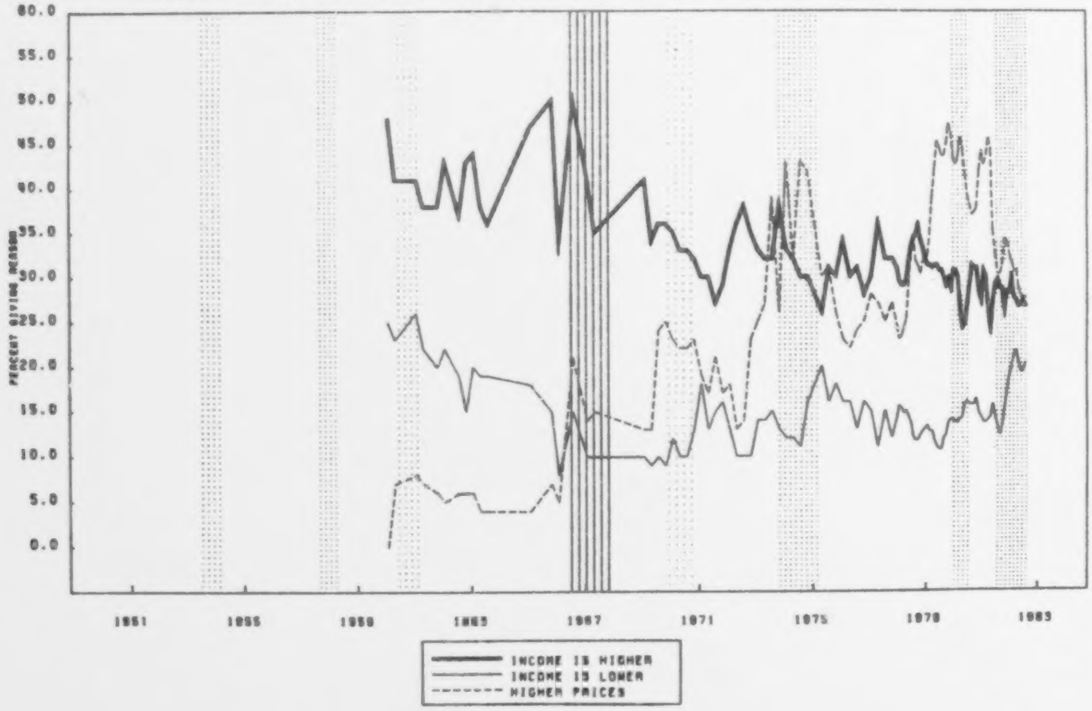
## CHART 5 - RECENT CHANGES

## REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## CHART 5 - HISTORICAL SERIES

## REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO



## TABLE 5

## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 32% | 26% | 28% | 25% | 32% | 28% | 29% | 26% | 27% | 27% | 27% | 28% | 25% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 11 | 13 | 16 | 17 | 18 | 21 | 20 | 22 | 23 | 17 | 18 | 23 | 20 |
| Higher prices | 27 | 34 | 33 | 36 | 33 | 29 | 33 | 30 | 29 | 27 | 27 | 29 | 27 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

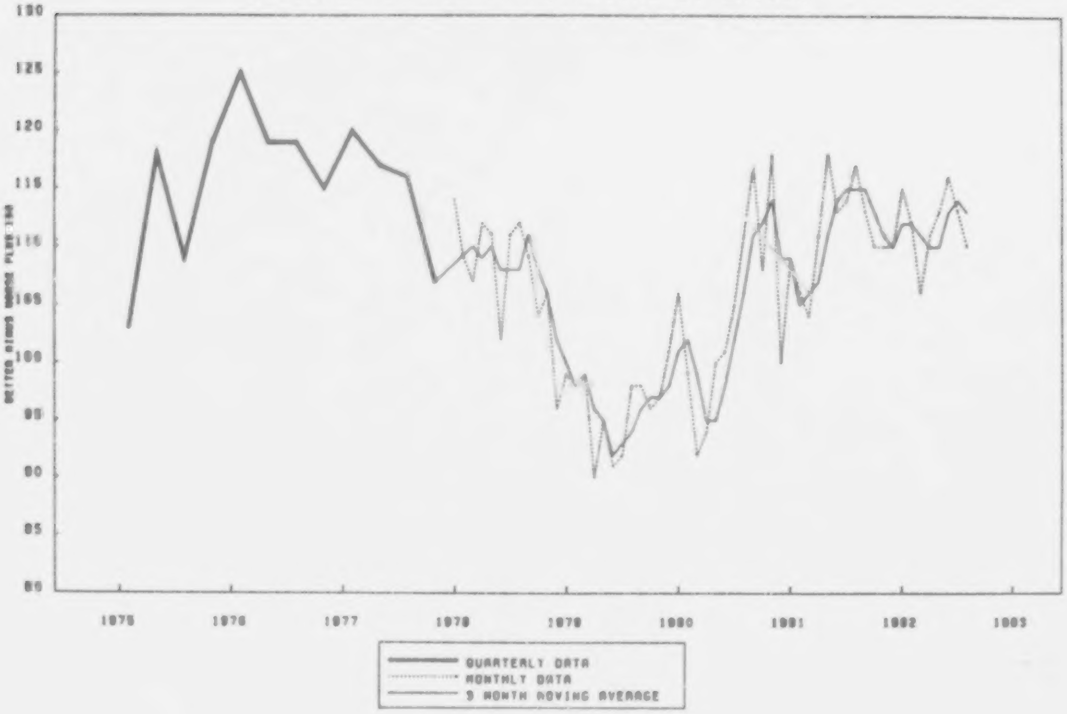
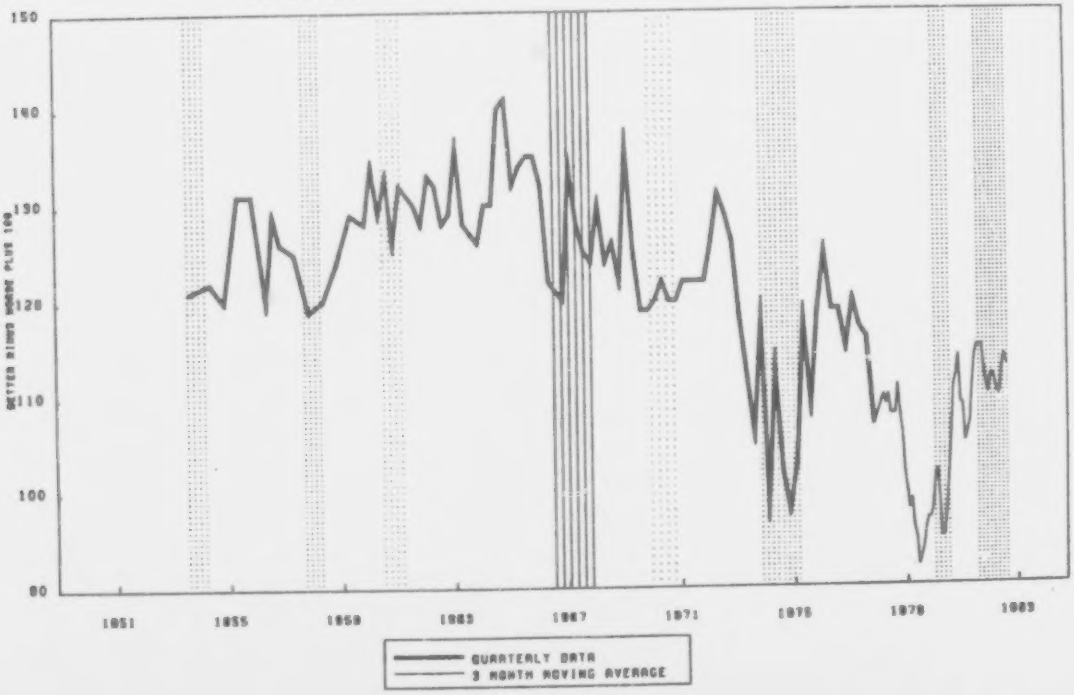


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION



## TABLE 6

## EXPECTED CHANGE IN FINANCIAL SITUATION

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 34% | 31% | 29% | 30% | 30% | 33% | 30% | 27% | 31% | 30% | 34% | 30% | 30% |
| SAME | 46 | 45 | 49 | 46 | 48 | 46 | 47 | 48 | 45 | 49 | 45 | 49 | 46 |
| WORSE OFF | 17 | 18 | 19 | 20 | 20 | 18 | 18 | 21 | 20 | 17 | 18 | 17 | 20 |
| DK,NA | 3 | 6 | 3 | 4 | 2 | 3 | 5 | 4 | 4 | 4 | 3 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

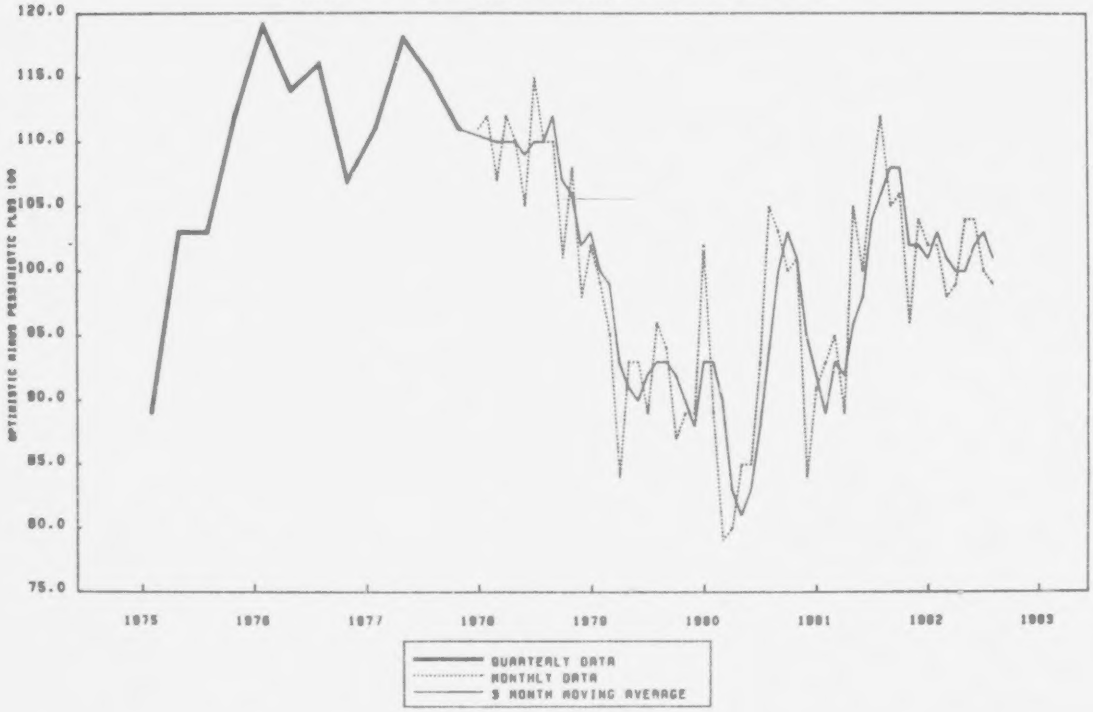
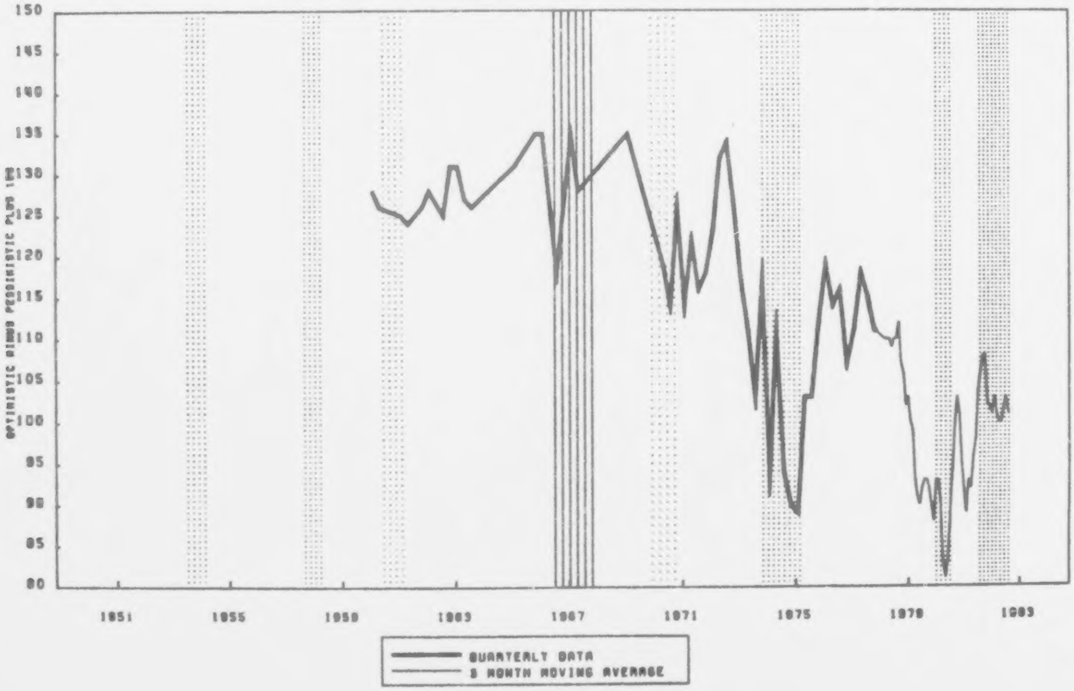


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

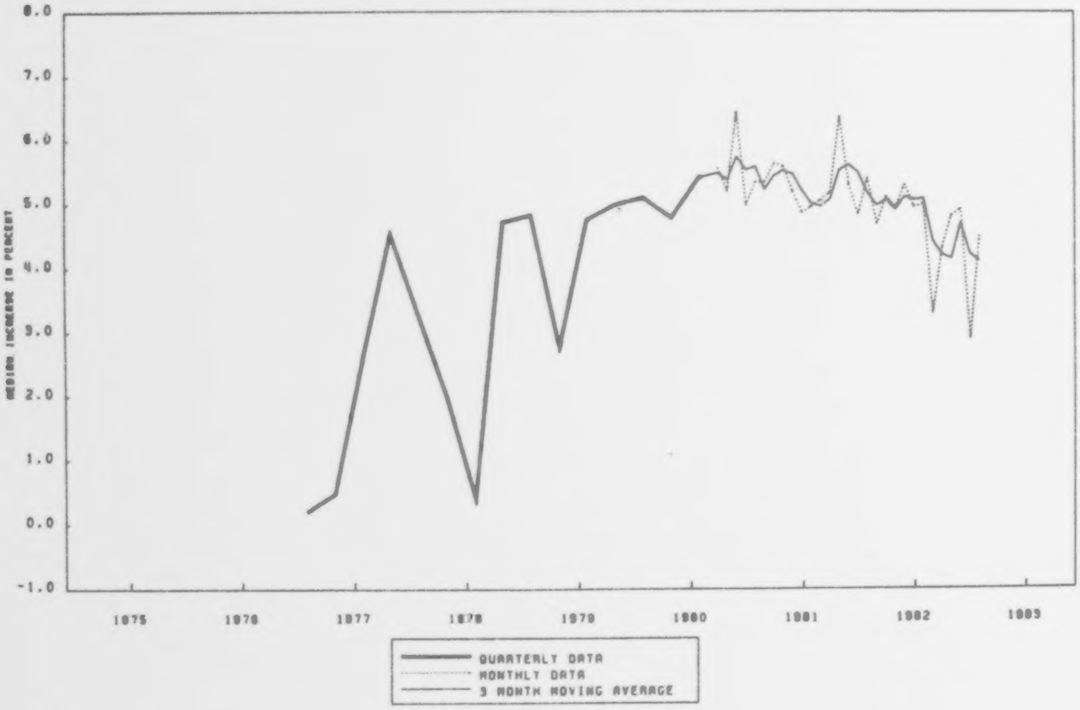
## TREND IN PERSONAL FINANCIAL SITUATION

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 14% | 16% | 13% | 13% | 13% | 15% | 15% | 11% | 12% | 14% | 14% | 15% | 15% |
| Intermittent increase (b) | 25 | 19 | 21 | 19 | 25 | 21 | 19 | 22 | 20 | 23 | 22 | 19 | 18 |
| Remain unchanged (c) | 18 | 17 | 21 | 14 | 14 | 15 | 18 | 14 | 17 | 17 | 16 | 17 | 18 |
| Intermittent decline (d) | 18 | 19 | 15 | 23 | 22 | 23 | 20 | 22 | 21 | 22 | 23 | 23 | 21 |
| Continuous decline (e) | 9 | 11 | 13 | 13 | 12 | 11 | 12 | 13 | 12 | 11 | 9 | 11 | 13 |
| Mixed change (f) | 12 | 12 | 14 | 14 | 11 | 12 | 11 | 14 | 14 | 9 | 13 | 11 | 11 |
| DK,NA | 4 | 6 | 3 | 4 | 3 | 3 | 5 | 4 | 4 | 4 | 3 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME



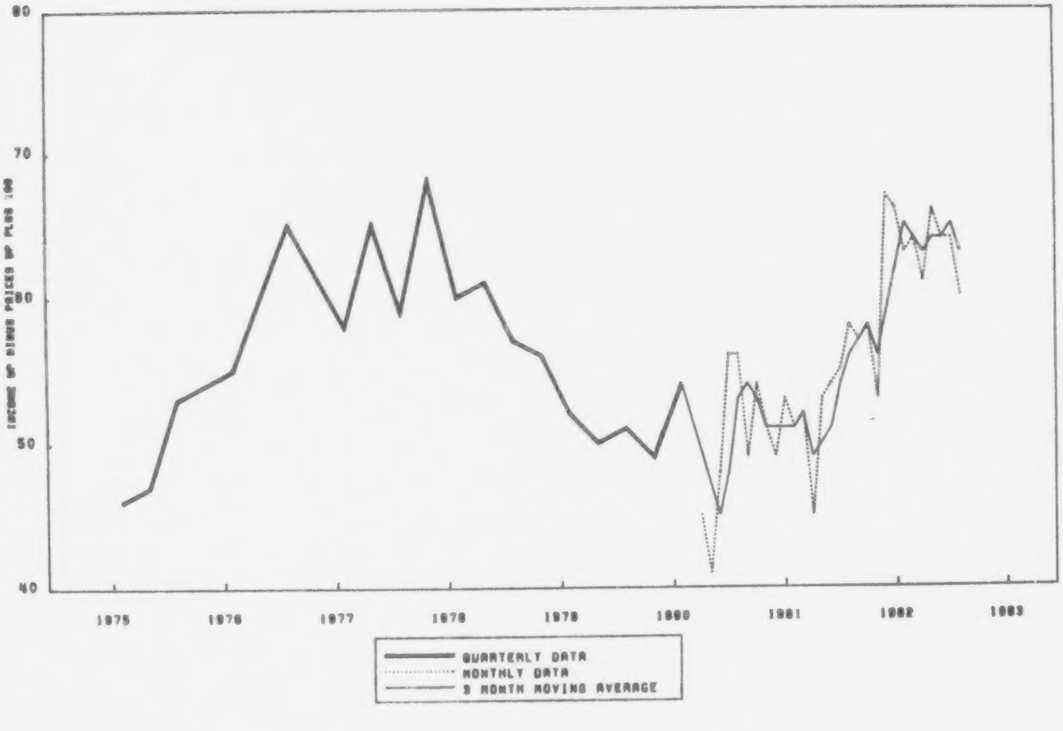
## TABLE 8

## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 5% | 6% | 6% | 5% | 5% | 7% | 5% | 5% | 7% | 5% | 6% | 9% | 8% |
| 5% | 8 | 9 | 10 | 9 | 9 | 10 | 9 | 8 | 10 | 9 | 11 | 8 | 7 |
| 6-9% | 9 | 10 | 13 | 8 | 10 | 11 | 12 | 9 | 8 | 11 | 13 | 10 | 12 |
| 10-24% | 27 | 23 | 21 | 23 | 24 | 22 | 22 | 19 | 19 | 20 | 20 | 17 | 18 |
| 25% or more | 6 | 6 | 6 | 8 | 8 | 7 | 6 | 7 | 7 | 8 | 7 | 6 | 7 |
| DK how much up | 6 | 6 | 6 | 4 | 6 | 4 | 6 | 6 | 6 | 7 | 4 | 6 | 6 |
| EXPECT SAME | 26 | 27 | 24 | 25 | 21 | 23 | 25 | 25 | 24 | 24 | 21 | 27 | 24 |
| EXPECT DOWN | 9 | 12 | 12 | 15 | 15 | 14 | 13 | 18 | 18 | 15 | 17 | 16 | 15 |
| DK,NA | 4 | 1 | 2 | 3 | 2 | 2 | 2 | 3 | 1 | 1 | 1 | 1 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

## CHART 9 - RECENT CHANGES
## INCOME OR PRICES UP MORE DURING THE LAST YEAR



## TABLE 9

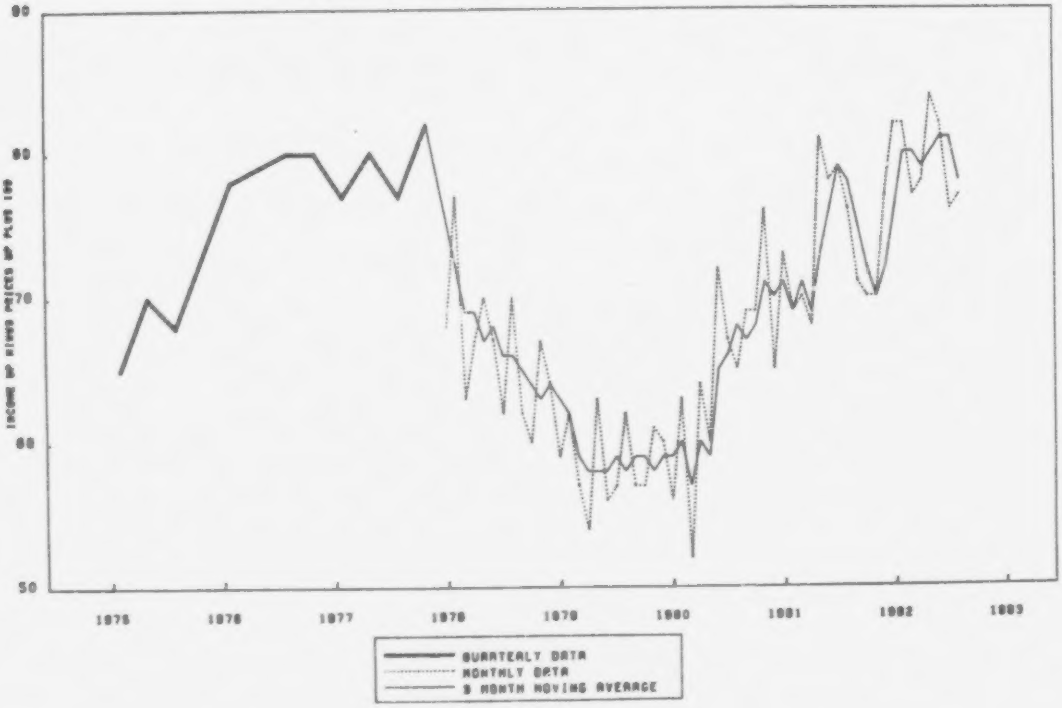
## PAST CHANGE IN REAL FAMILY INCOME

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 14% | 13% | 13% | 12% | 17% | 17% | 16% | 16% | 14% | 18% | 16% | 17% | 14% |
| INCOME UP SAME | 29 | 31 | 30 | 27 | 32 | 30 | 30 | 31 | 32 | 29 | 31 | 29 | 30 |
| PRICES UP MORE | 56 | 56 | 55 | 59 | 50 | 51 | 53 | 52 | 53 | 52 | 52 | 53 | 54 |
| DK,NA | 1 | * | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



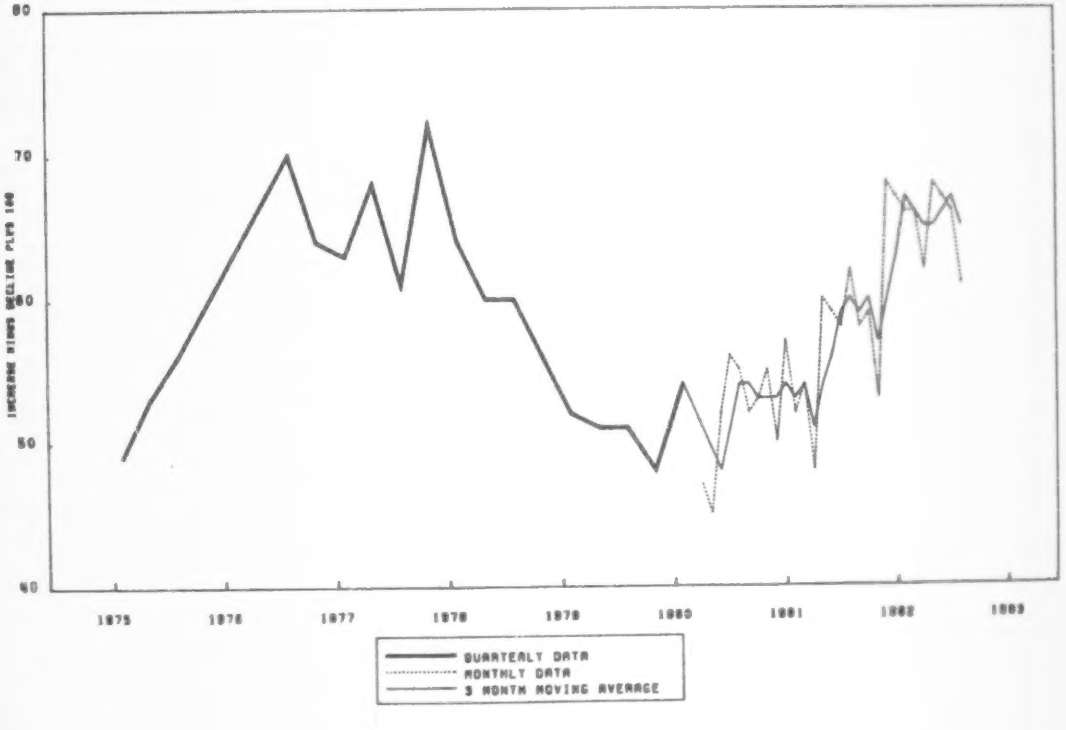
## TABLE 10

## EXPECTED CHANGE IN REAL FAMILY INCOME

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 16% | 13% | 14% | 13% | 17% | 17% | 20% | 16% | 17% | 19% | 18% | 16% | 17% |
| INCOME UP SAME | 40 | 42 | 40 | 41 | 41 | 45 | 40 | 41 | 42 | 43 | 43 | 41 | 40 |
| PRICES UP MORE | 40 | 42 | 44 | 43 | 40 | 35 | 38 | 39 | 39 | 35 | 36 | 40 | 40 |
| DK,NA | 4 | 3 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 3 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

## CHART 11 - RECENT CHANGES
## TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 7% | 5% | 5% | 5% | 8% | 9% | 9% | 7% | 8% | 10% | 8% | 8% | 8% |
| Intermittent increase (b) | 8 | 11 | 10 | 8 | 12 | 11 | 9 | 10 | 9 | 8 | 11 | 11 | 8 |
| Remain unchanged (c) | 20 | 19 | 18 | 17 | 19 | 19 | 20 | 20 | 19 | 20 | 19 | 19 | 19 |
| Intermittent decline (d) | 21 | 24 | 21 | 26 | 22 | 25 | 22 | 21 | 25 | 24 | 24 | 21 | 23 |
| Continuous decline (e) | 32 | 34 | 35 | 34 | 30 | 28 | 30 | 30 | 30 | 26 | 28 | 32 | 32 |
| Mixed change (f) | 8 | 4 | 8 | 6 | 6 | 5 | 8 | 8 | 6 | 9 | 7 | 5 | 6 |
| DK,NA | 4 | 3 | 3 | 4 | 3 | 3 | 2 | 4 | 3 | 3 | 3 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

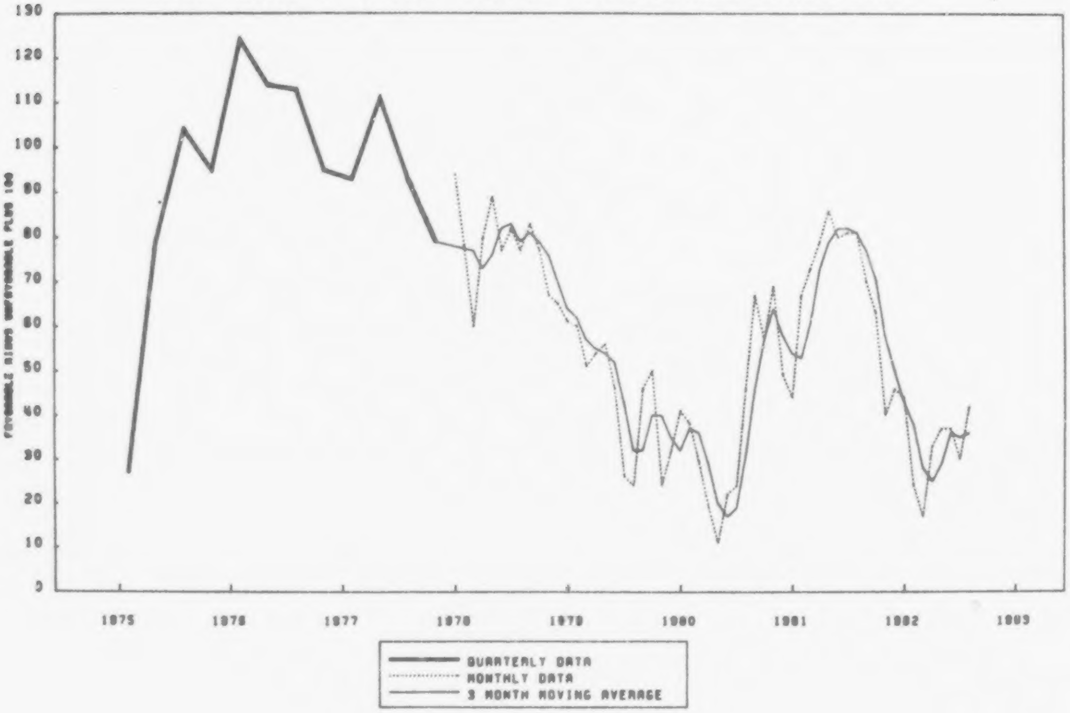
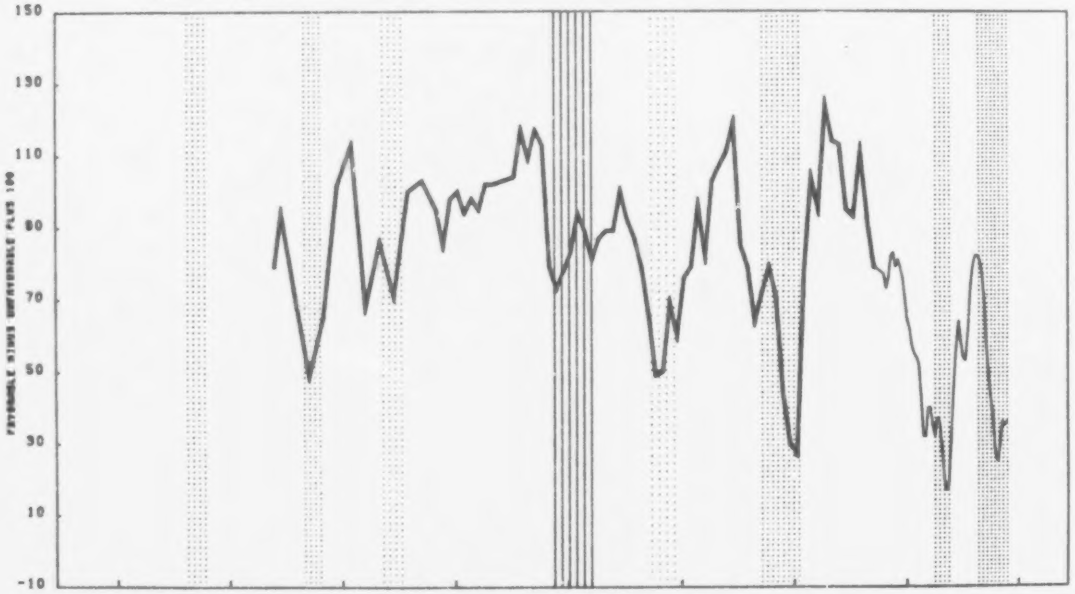


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 28% | 24% | 22% | 14% | 23% | 23% | 20% | 18% | 23% | 23% | 24% | 20% | 28% |
| UNFAVORABLE NEWS | 47 | 55 | 59 | 74 | 77 | 79 | 96 | 101 | 90 | 86 | 87 | 90 | 86 |
| NO MENTIONS | 48 | 47 | 45 | 43 | 37 | 33 | 29 | 26 | 29 | 31 | 31 | 31 | 26 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES
NEWS HEARD ABOUT RECENT CHANGES IN BUSINESS CONDITIONS

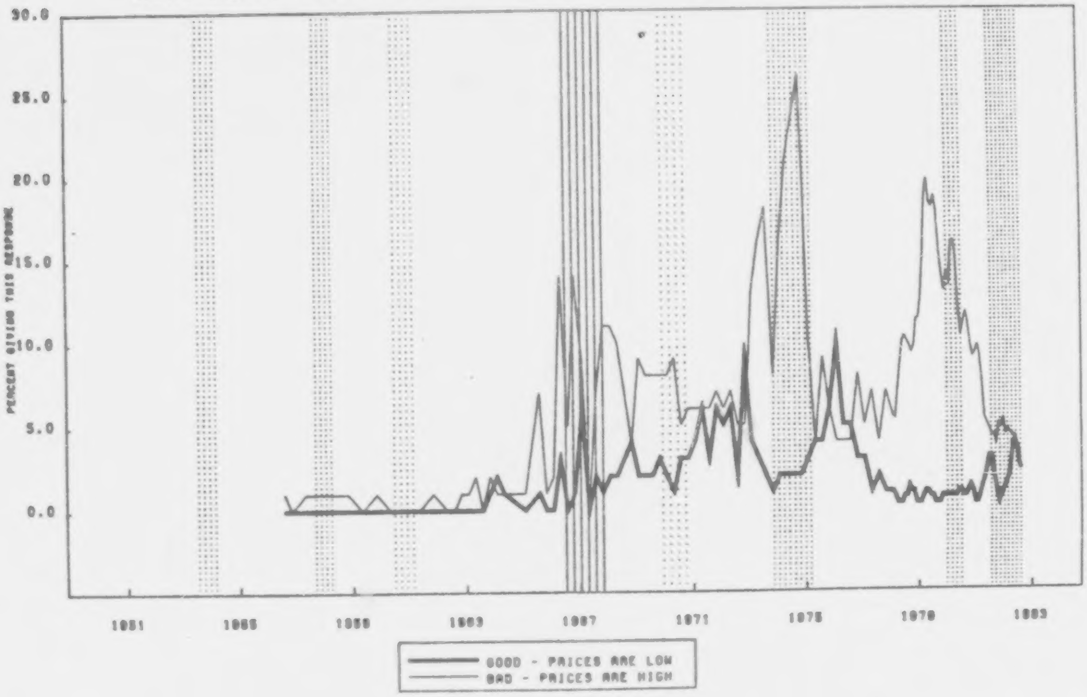
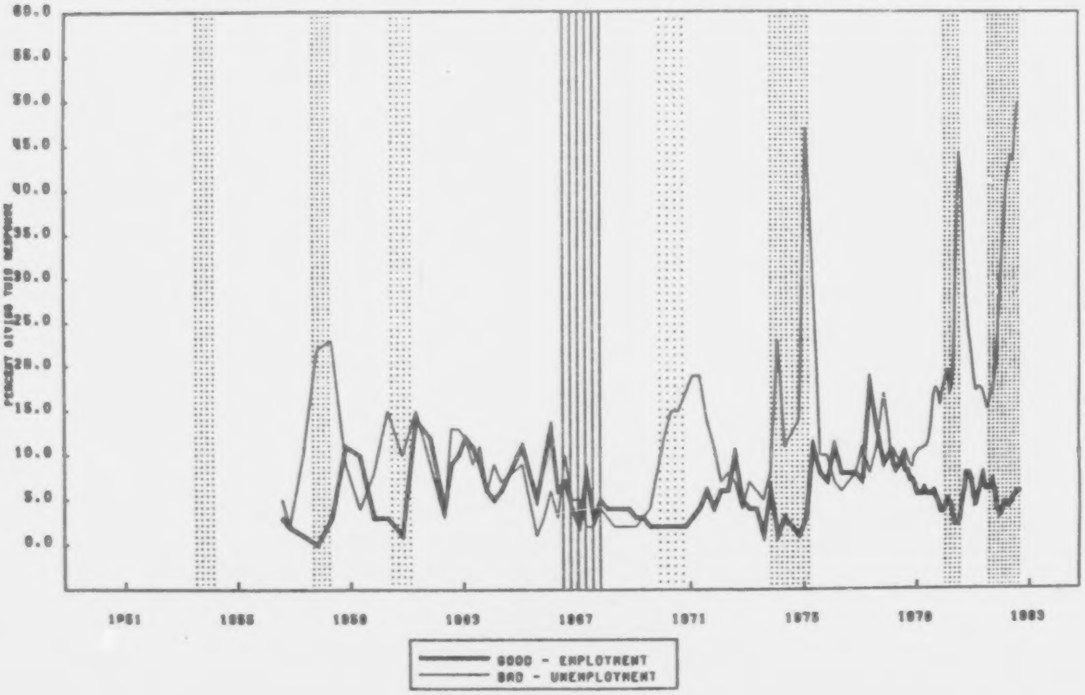


CHART 13B - HISTORICAL SERIES
NEWS HEARD ABOUT RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 13

## SELECTED ITEMS OF
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 7% | 8% | 5% | 3% | 4% | 4% | 3% | 4% | 2% | 2% | 2% | 2% | 1% |
| Employment | 8 | 6 | 4 | 2 | 4 | 5 | 5 | 4 | 4 | 6 | 6 | 5 | 7 |
| Consumer demand high | 2 | 1 | 1 | 1 | 1 | 1 | * | * | 2 | 2 | 3 | 2 | 3 |
| Prices are low | 2 | * | 1 | * | 1 | 2 | 1 | 2 | 4 | 5 | 3 | 2 | 2 |
| Credit is easy | 2 | 2 | 3 | 4 | 10 | 6 | 5 | 3 | 5 | 3 | 2 | 3 | 9 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 6 | 5 | 5 | 3 | 4 | 5 | 6 | 7 | 5 | 4 | 4 | 4 | 4 |
| Unemployment | 17 | 19 | 20 | 28 | 32 | 35 | 40 | 46 | 41 | 45 | 44 | 52 | 53 |
| Consumer demand low | 5 | 3 | 6 | 10 | 11 | 11 | 14 | 12 | 11 | 8 | 9 | 8 | 6 |
| Prices are high | 3 | 5 | 3 | 7 | 4 | 5 | 4 | 5 | 4 | 4 | 4 | 3 | 3 |
| Credit is tight | 7 | 10 | 10 | 11 | 8 | 6 | 8 | 10 | 10 | 6 | 8 | 9 | 6 |
| Energy crisis | 1 | 1 | * | * | * | * | * | * | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

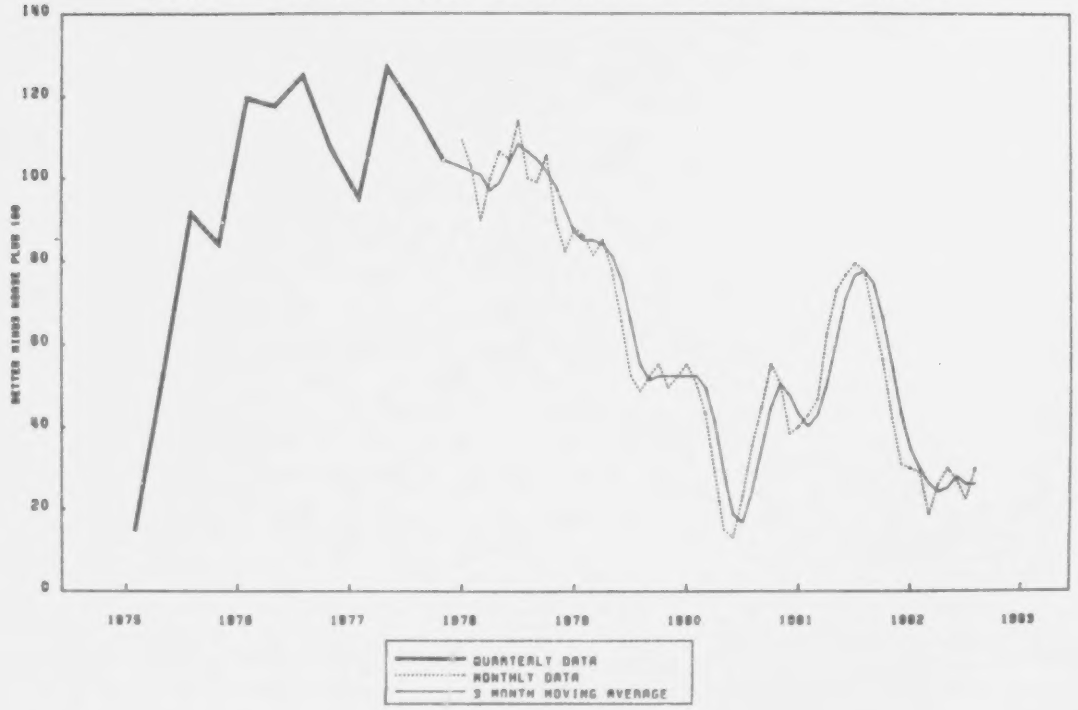
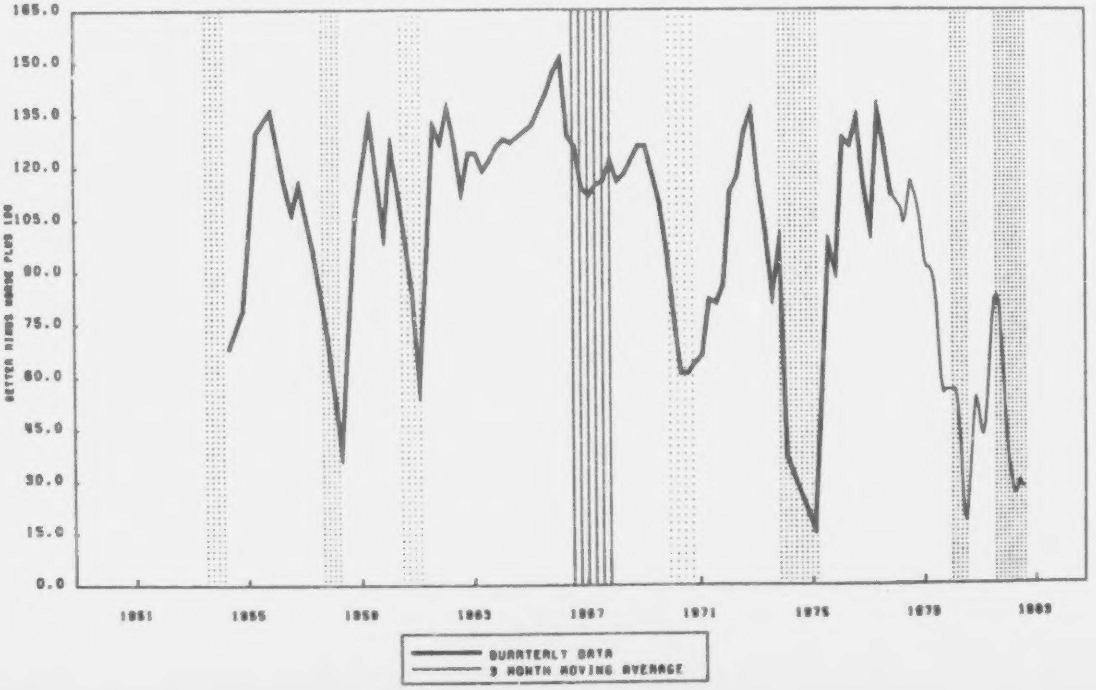


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 33% | 28% | 23% | 15% | 13% | 11% | 11% | 7% | 9% | 12% | 11% | 7% | 12% |
| SAME | 15 | 12 | 12 | 12 | 6 | 8 | 8 | 5 | 9 | 6 | 6 | 8 | 6 |
| WORSE NOW | 50 | 57 | 63 | 70 | 80 | 79 | 80 | 87 | 81 | 80 | 82 | 83 | 80 |
| DK,NA | 2 | 3 | 2 | 3 | 1 | 2 | 1 | 1 | 1 | 2 | 1 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

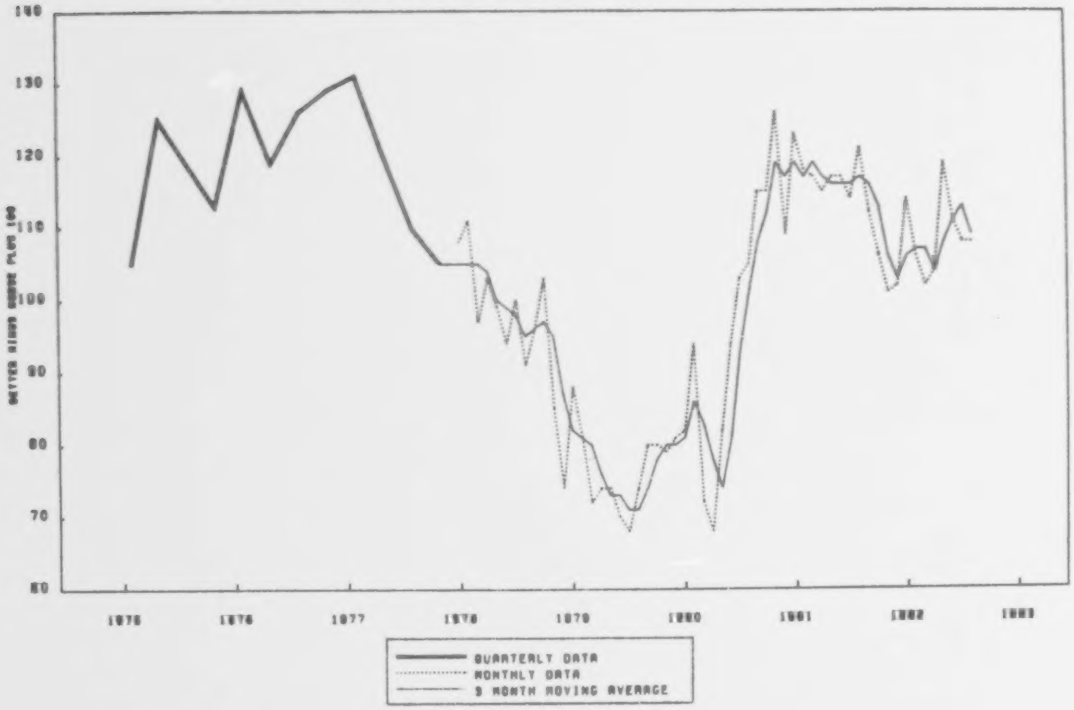
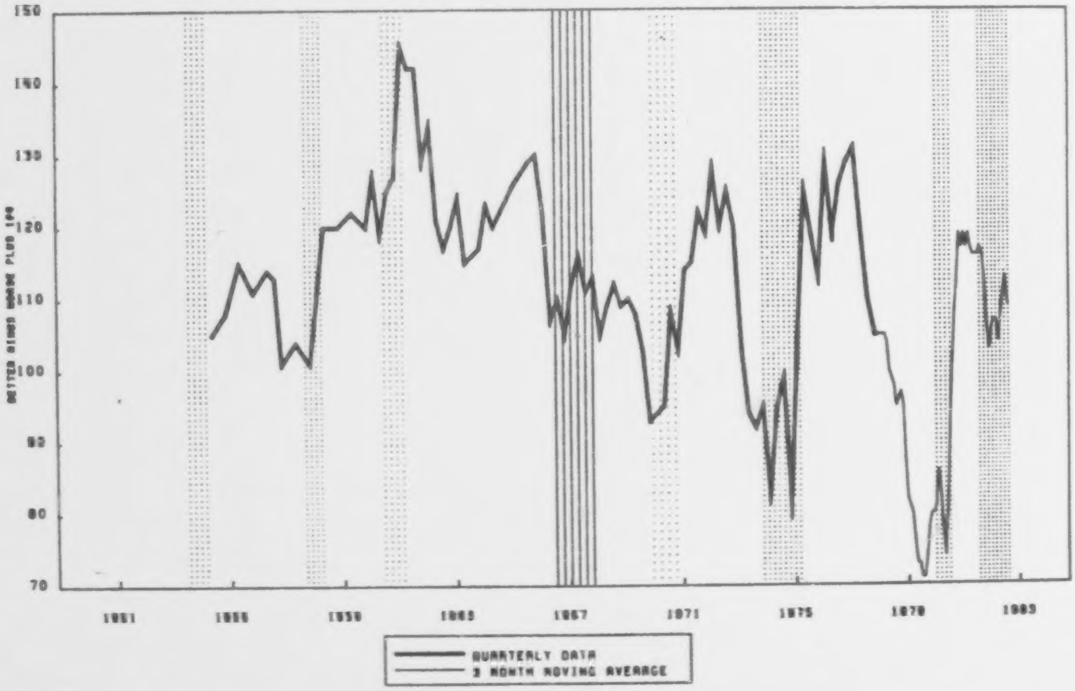


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 38% | 32% | 31% | 27% | 31% | 38% | 34% | 29% | 32% | 39% | 37% | 33% | 31% |
| SAME | 43 | 45 | 41 | 44 | 37 | 36 | 36 | 42 | 38 | 39 | 34 | 41 | 43 |
| WORSE | 17 | 19 | 25 | 26 | 29 | 24 | 28 | 27 | 28 | 20 | 26 | 25 | 23 |
| DK,NA | 2 | 4 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 3 | 1 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - RECENT CHANGES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

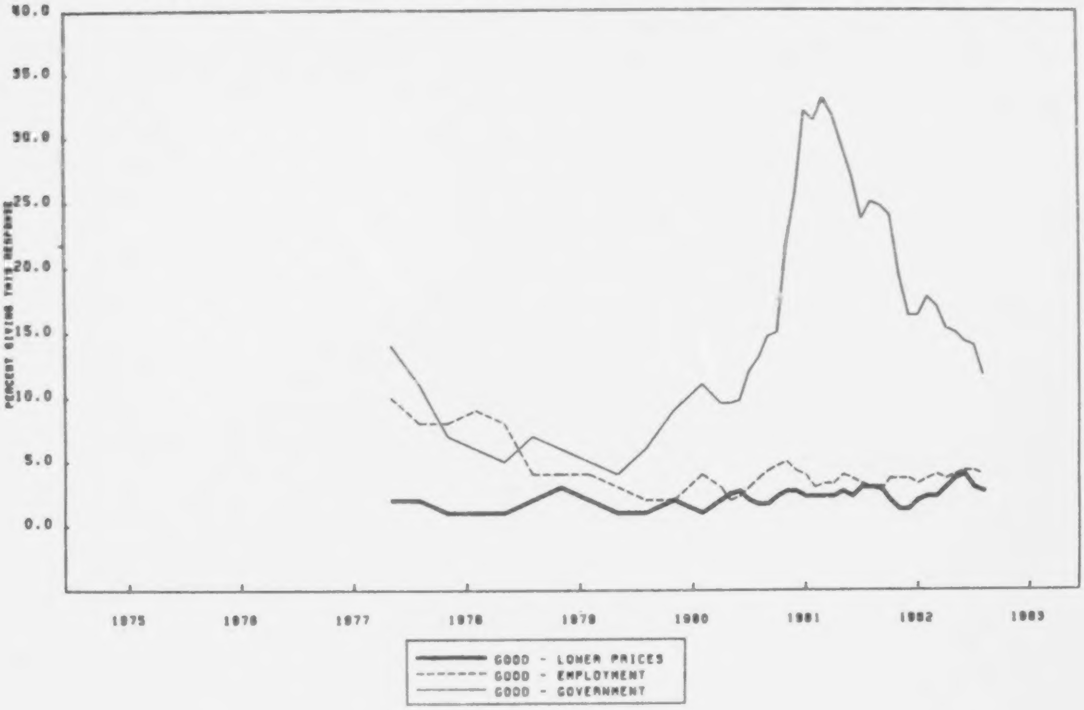
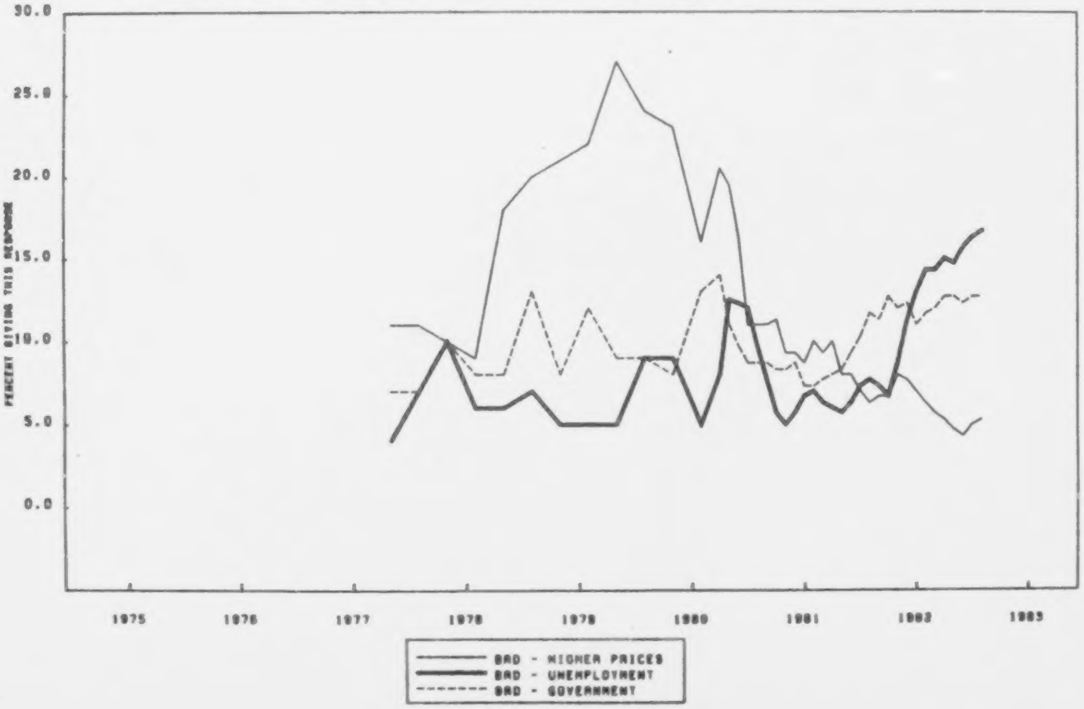


CHART16B - RECENT CHANGES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR



## TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 29% | 24% | 19% | 15% | 15% | 19% | 19% | 13% | 14% | 18% | 11% | 13% | 11% |
| Employment | 3 | 2 | 6 | 3 | 2 | 5 | 4 | 3 | 4 | 5 | 4 | 4 | 4 |
| Higher consumer demand | 3 | 4 | 2 | 2 | 3 | 3 | 2 | 3 | 3 | 4 | 6 | 3 | 3 |
| Lower prices | 3 | 2 | 1 | 1 | 2 | 3 | 2 | 2 | 5 | 4 | 3 | 2 | 2 |
| Easier credit | 4 | 4 | 6 | 7 | 9 | 5 | 5 | 7 | 7 | 10 | 9 | 5 | 8 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 12 | 11 | 15 | 10 | 12 | 11 | 12 | 13 | 13 | 12 | 12 | 14 | 12 |
| Unemployment | 6 | 7 | 7 | 12 | 15 | 12 | 16 | 15 | 14 | 15 | 18 | 16 | 16 |
| Lower consumer demand | 3 | 6 | 4 | 6 | 7 | 6 | 7 | 9 | 7 | 4 | 6 | 5 | 3 |
| Higher prices | 4 | 9 | 7 | 8 | 8 | 5 | 6 | 6 | 4 | 4 | 5 | 6 | 5 |
| Tighter credit | 6 | 8 | 3 | 5 | 4 | 4 | 7 | 7 | 5 | 6 | 10 | 9 | 6 |
| Energy crisis | * | * | 1 | * | * | * | * | * | * | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

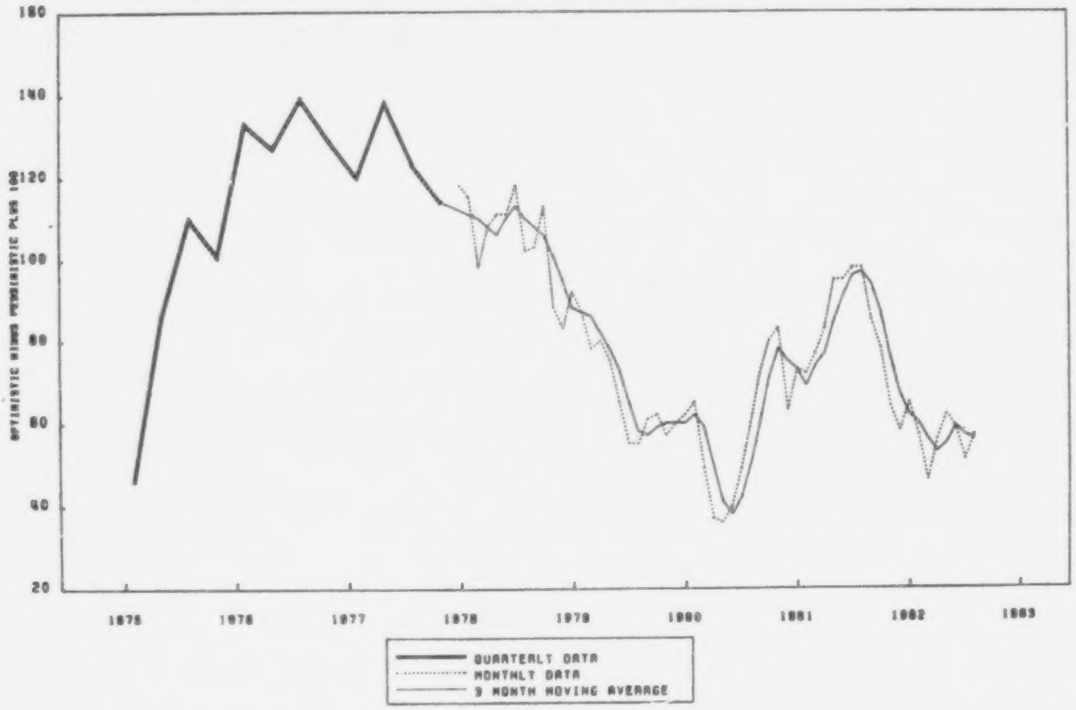


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

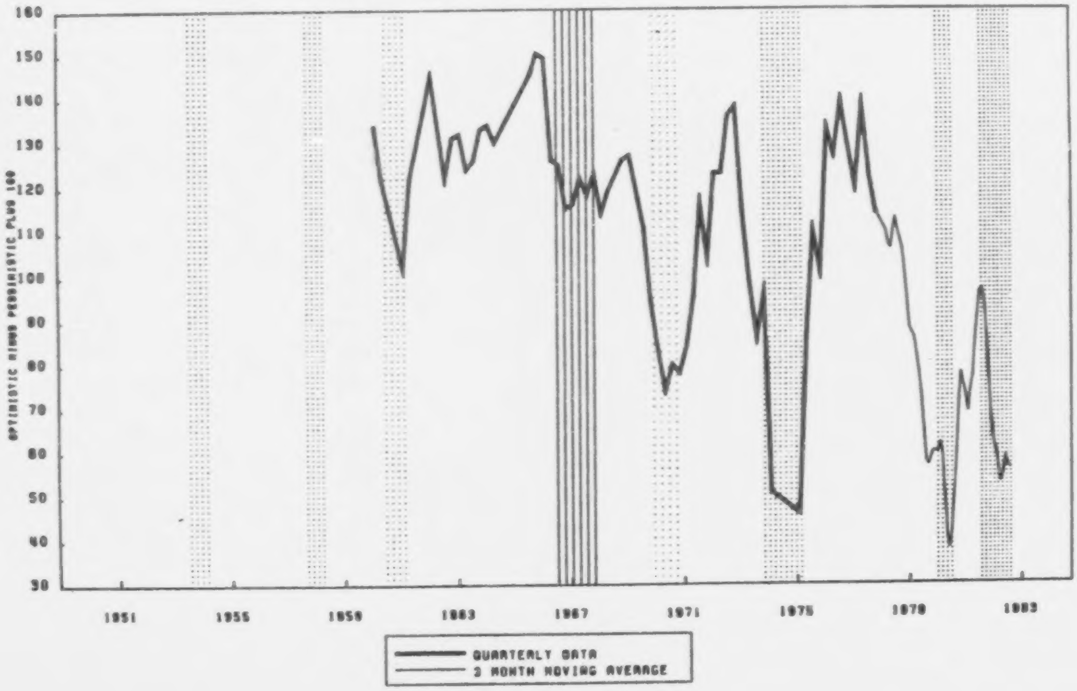


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 18% | 14% | 12% | 6% | 5% | 6% | 6% | 4% | 5% | 8% | 6% | 5% | 7% |
| Intermittent increase (b) | 17 | 16 | 14 | 11 | 8 | 9 | 6 | 5 | 7 | 6 | 6 | 5 | 7 |
| Remain unchanged (c) | 7 | 6 | 4 | 6 | 3 | 3 | 4 | 2 | 4 | 3 | 2 | 3 | 3 |
| Intermittent decline (d) | 25 | 29 | 27 | 31 | 29 | 27 | 30 | 37 | 30 | 33 | 29 | 36 | 35 |
| Continuous decline (e) | 12 | 16 | 21 | 22 | 26 | 23 | 25 | 26 | 26 | 19 | 24 | 23 | 22 |
| Mixed change (f) | 18 | 14 | 17 | 18 | 25 | 29 | 26 | 23 | 24 | 28 | 30 | 25 | 22 |
| DK,NA | 3 | 5 | 5 | 6 | 4 | 3 | 3 | 3 | 4 | 3 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

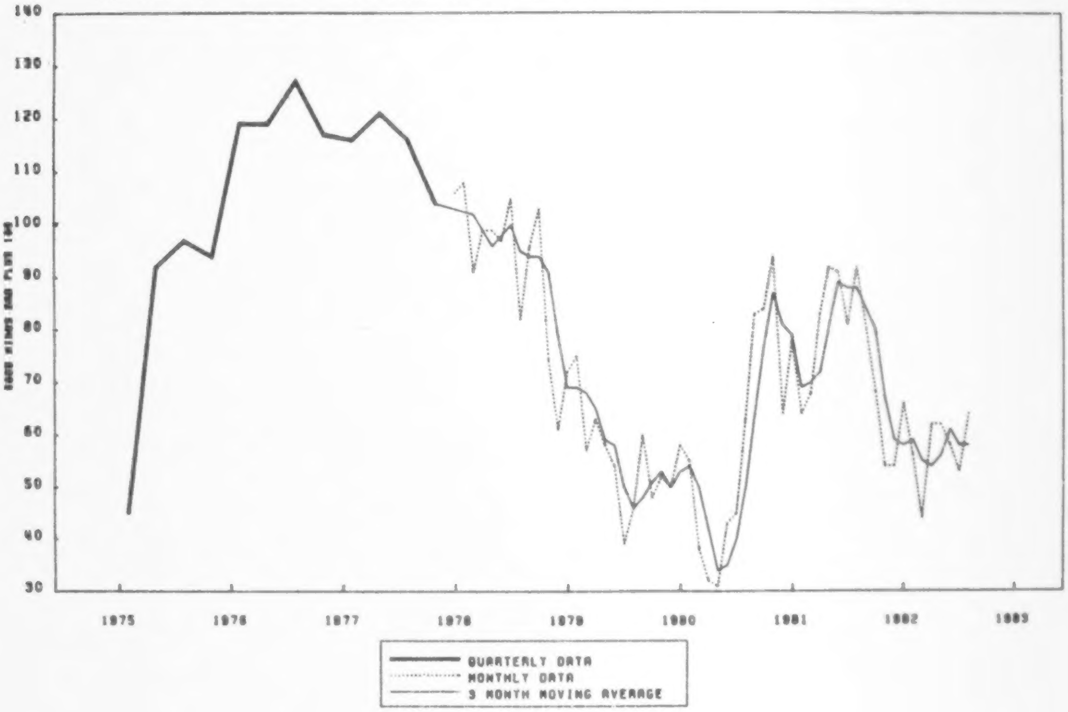
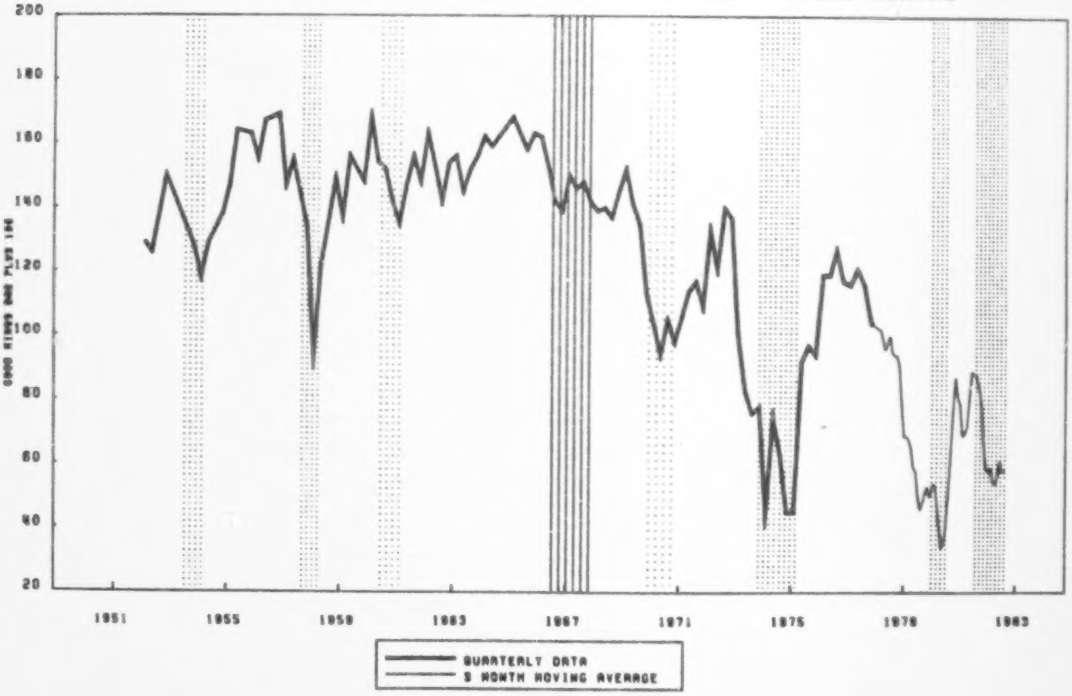


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



## TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 40% | 33% | 25% | 21% | 23% | 30% | 23% | 17% | 28% | 27% | 25% | 23% | 26% |
| UNCERTAIN; GOOD & BAD | 4 | 3 | 3 | 4 | 2 | 1 | 2 | 2 | 1 | 1 | 1 | 2 | 5 |
| BAD TIMES | 48 | 53 | 57 | 67 | 69 | 64 | 67 | 73 | 66 | 65 | 67 | 70 | 62 |
| DON´T KNOW | 5 | 6 | 8 | 6 | 4 | 3 | 4 | 3 | 4 | 4 | 4 | 3 | 3 |
| NOT ASCERTAINED | 3 | 5 | 7 | 2 | 2 | 2 | 4 | 5 | 1 | 3 | 3 | 2 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we´ll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

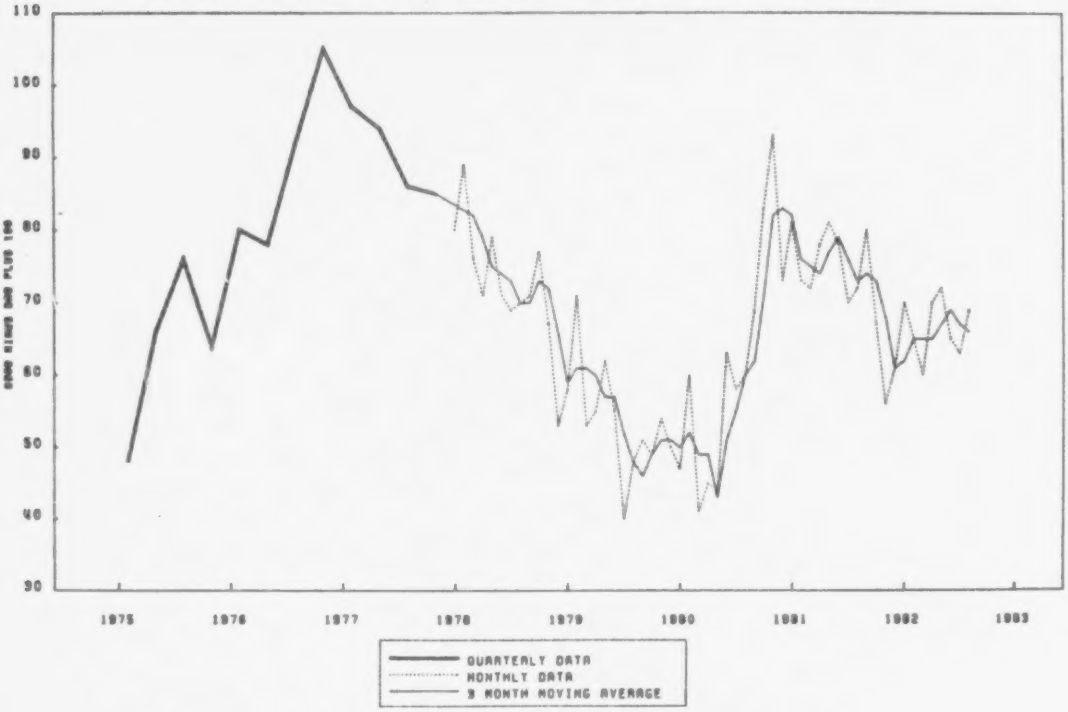
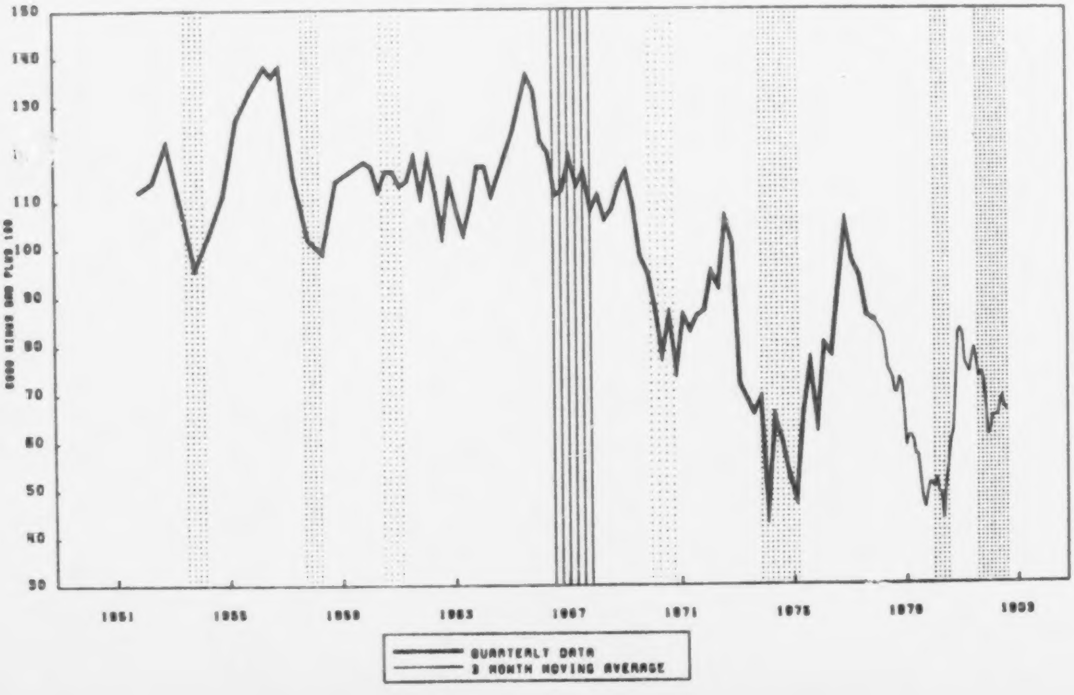


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 28% | 30% | 24% | 18% | 20% | 28% | 24% | 22% | 25% | 27% | 24% | 22% | 23% |
| UNCERTAIN; GOOD & BAD | 12 | 16 | 14 | 17 | 17 | 11 | 13 | 13 | 13 | 13 | 12 | 15 | 15 |
| BAD TIMES | 56 | 50 | 57 | 62 | 59 | 58 | 59 | 62 | 55 | 55 | 59 | 59 | 54 |
| NOT ASCERTAINED | 4 | 4 | 5 | 3 | 4 | 3 | 4 | 3 | 7 | 5 | 5 | 4 | 8 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

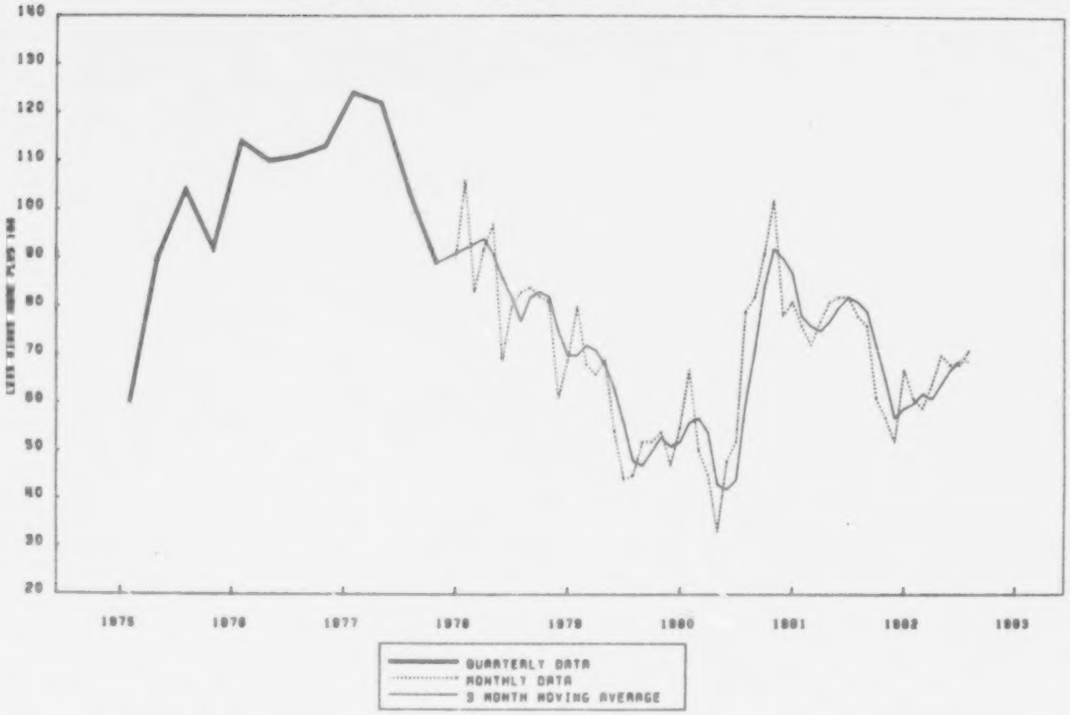
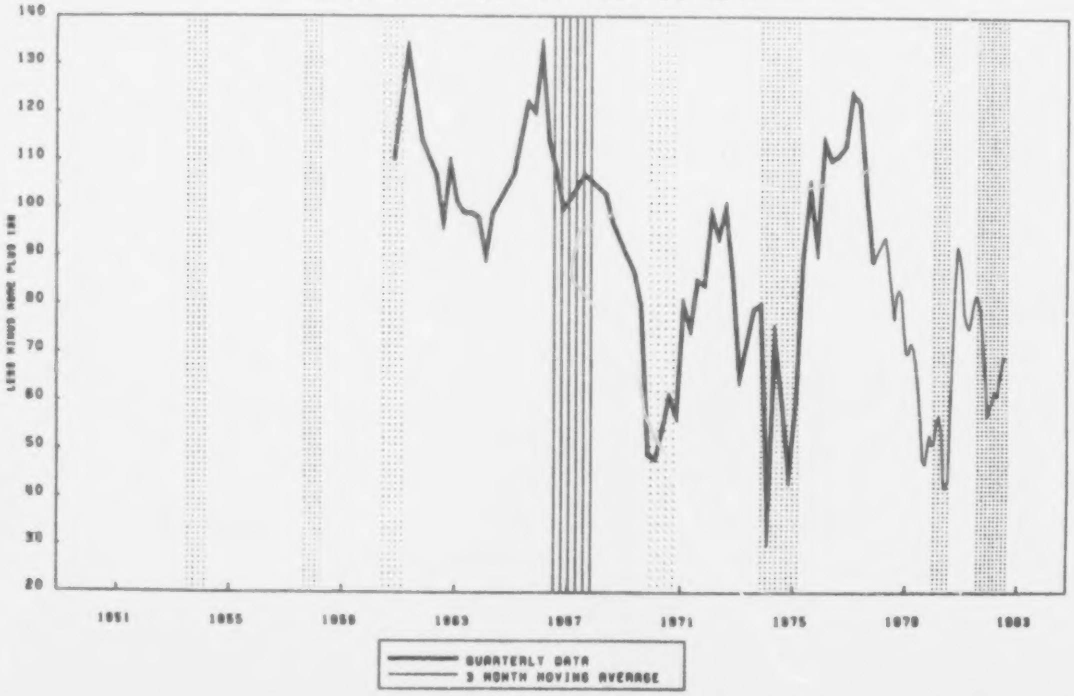


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 14% | 15% | 11% | 11% | 11% | 16% | 13% | 13% | 14% | 17% | 16% | 16% | 17% |
| SAME | 47 | 45 | 38 | 33 | 28 | 34 | 33 | 32 | 34 | 35 | 35 | 35 | 35 |
| MORE | 36 | 39 | 50 | 54 | 59 | 49 | 52 | 54 | 50 | 47 | 48 | 48 | 46 |
| DK,NA | 3 | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

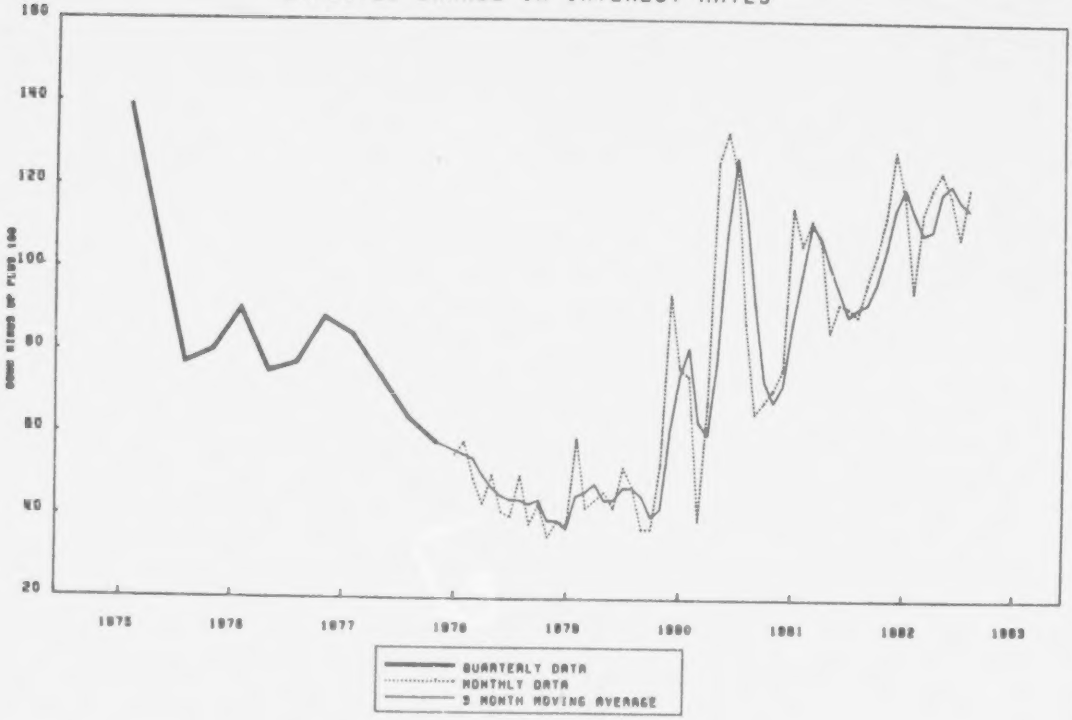
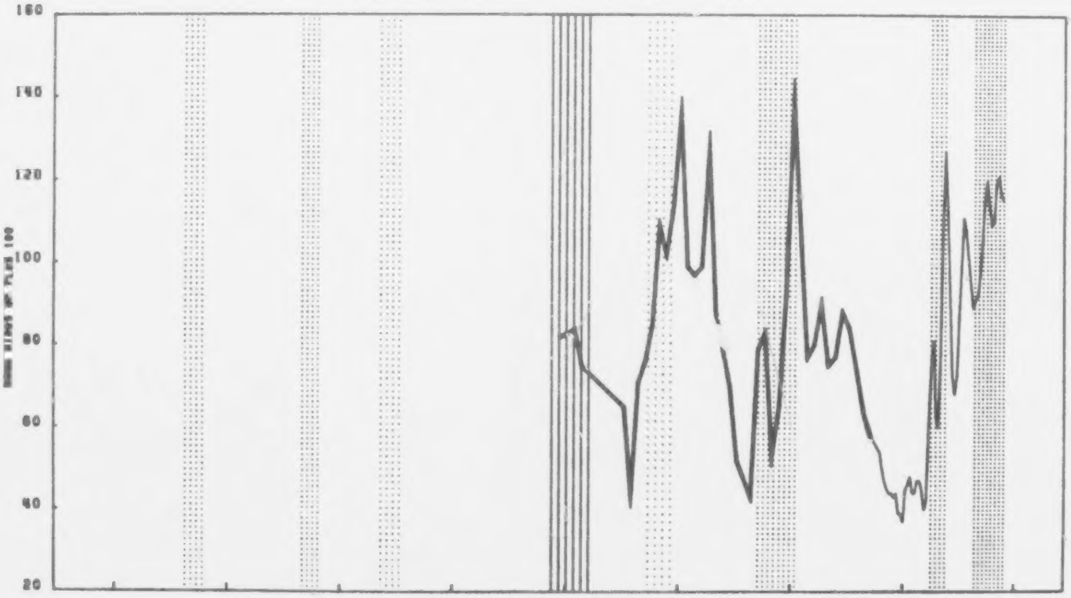


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES



## TABLE 21

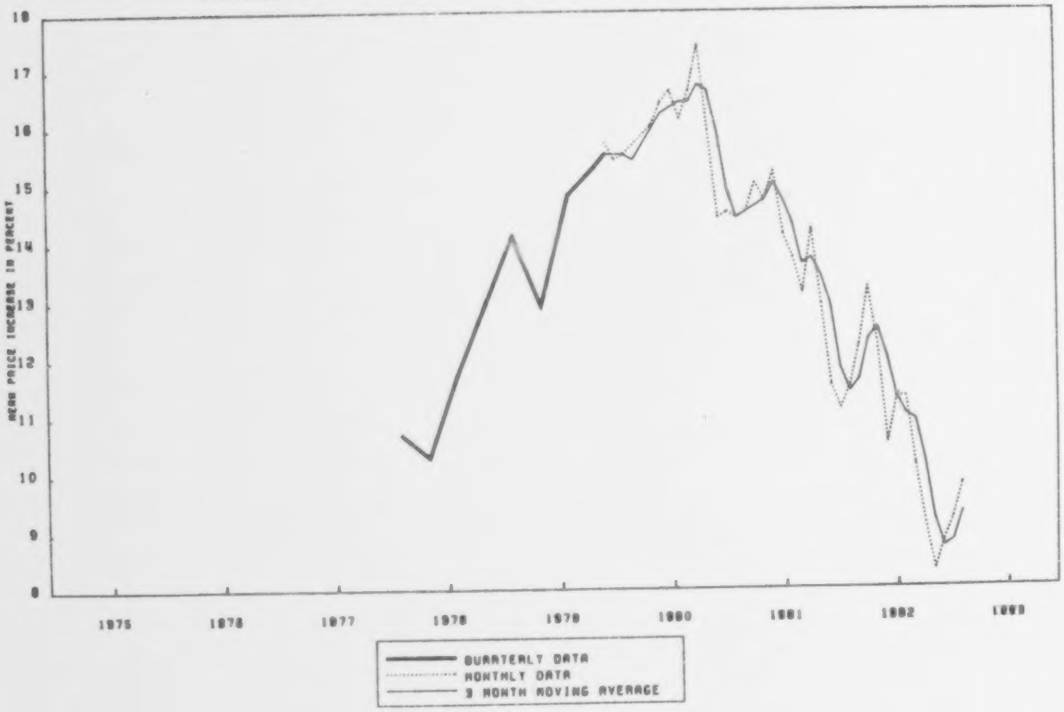
## EXPECTED CHANGE IN INTEREST RATES

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 37% | 33% | 31% | 29% | 21% | 25% | 34% | 25% | 22% | 19% | 21% | 24% | 21% |
| STAY THE SAME | 34 | 33 | 30 | 25 | 25 | 28 | 33 | 33 | 33 | 34 | 37 | 41 | 34 |
| GO DOWN | 26 | 30 | 35 | 42 | 50 | 43 | 29 | 39 | 42 | 43 | 39 | 32 | 41 |
| DK,NA | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS



## TABLE 22

## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 11% | 10% | 8% | 7% | 10% | 11% | 13% | 15% | 15% | 23% | 14% | 12% | 12% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 4 | 3 | 4 | 2 | 4 | 4 | 4 | 5 | 4 | 2 | 8 | 6 | 5 |
| 3-4% | 7 | 5 | 6 | 7 | 7 | 5 | 6 | 7 | 7 | 11 | 10 | 8 | 8 |
| 5% | 10 | 9 | 9 | 11 | 11 | 11 | 11 | 13 | 12 | 12 | 12 | 14 | 11 |
| 6-9% | 11 | 15 | 12 | 14 | 15 | 17 | 14 | 12 | 14 | 13 | 14 | 13 | 16 |
| 10-14% | 25 | 25 | 26 | 26 | 28 | 24 | 24 | 24 | 24 | 16 | 21 | 22 | 24 |
| 15% or more | 23 | 24 | 27 | 24 | 19 | 22 | 22 | 19 | 17 | 17 | 16 | 18 | 17 |
| DK how much up | 9 | 8 | 8 | 8 | 6 | 6 | 6 | 5 | 7 | 6 | 5 | 6 | 6 |
| DK,NA | * | 1 | * | 1 | * | * | * | * | * | * | * | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 11.5 | 12.2 | 13.2 | 12.2 | 10.5 | 11.3 | 11.3 | 10.1 | 9.1 | 8.3 | 8.8 | 9.2 | 9.8 |
| VARIANCE | 114 | 143 | 156 | 134 | 104 | 126 | 132 | 114 | 83 | 96 | 93 | 87 | 96 |
| CASES | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

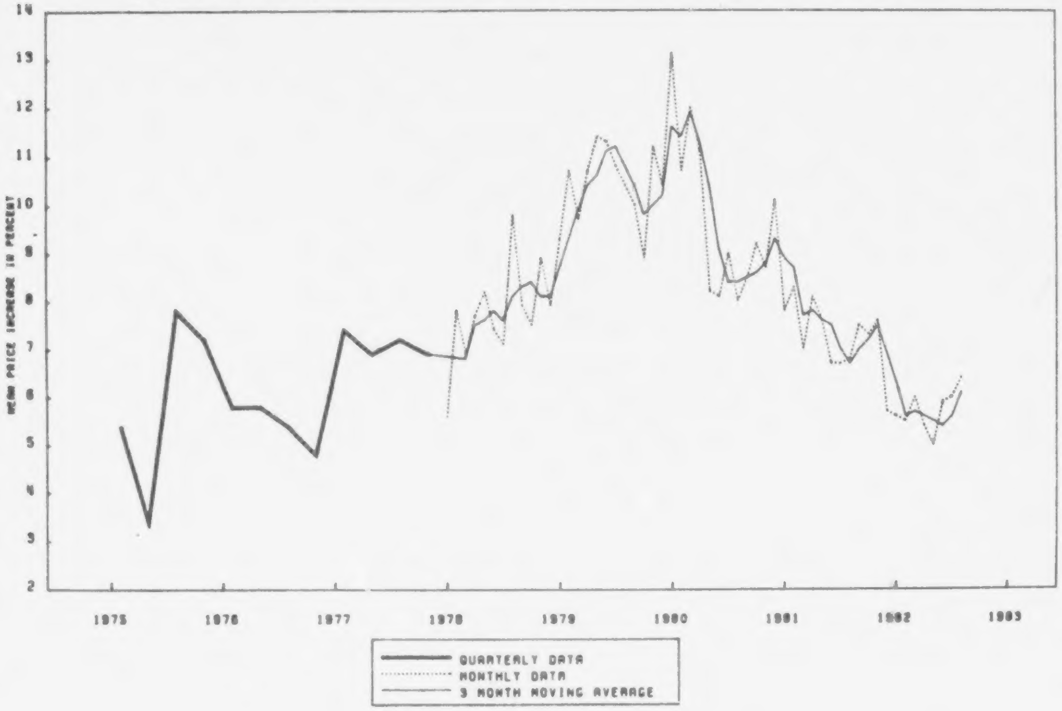
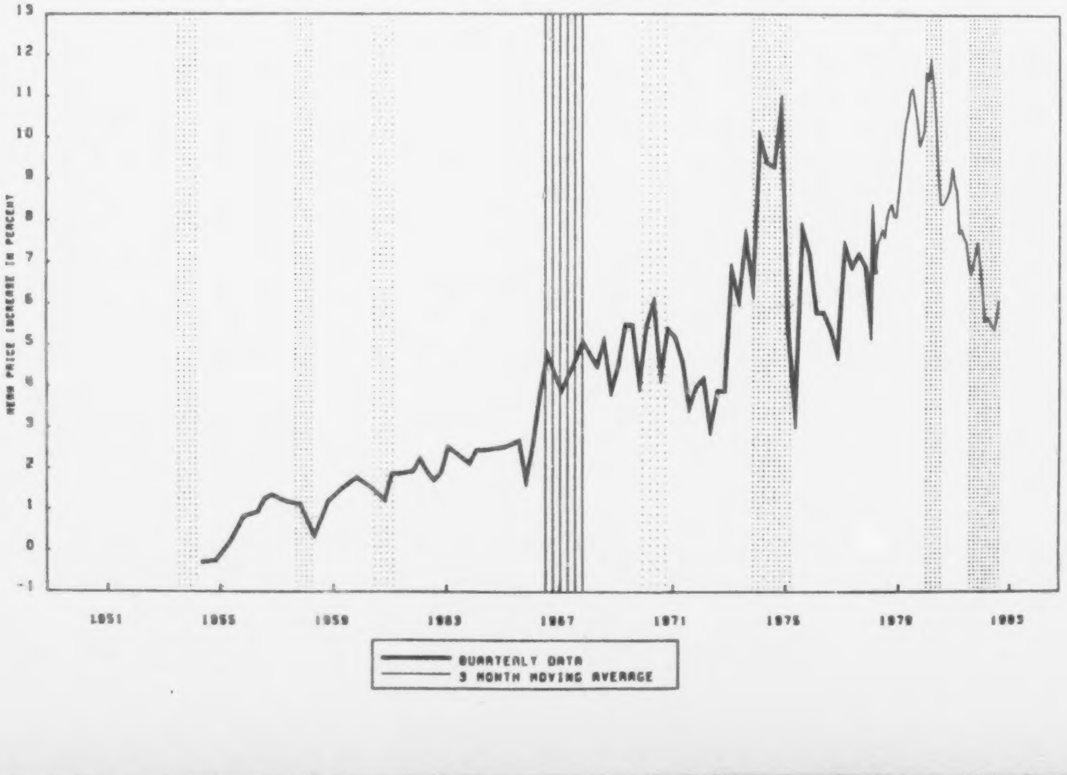


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 28% | 30% | 27% | 27% | 35% | 36% | 38% | 32% | 33% | 36% | 30% | 23% | 23% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 6 | 5 | 5 | 4 | 4 | 5 | 4 | 7 | 4 | 6 | 7 | 7 | 8 |
| 3-4% | 7 | 8 | 7 | 6 | 8 | 8 | 7 | 11 | 7 | 9 | 10 | 10 | 12 |
| 5% | 12 | 10 | 12 | 11 | 12 | 13 | 12 | 11 | 16 | 15 | 14 | 17 | 16 |
| 6-9% | 12 | 11 | 14 | 11 | 14 | 11 | 12 | 12 | 10 | 11 | 10 | 15 | 12 |
| 10-14% | 16 | 17 | 17 | 22 | 14 | 13 | 14 | 12 | 16 | 8 | 16 | 14 | 13 |
| 15% or more | 11 | 13 | 12 | 11 | 8 | 8 | 7 | 11 | 8 | 8 | 8 | 7 | 11 |
| DK how much up | 5 | 5 | 5 | 6 | 3 | 4 | 5 | 2 | 3 | 4 | 3 | 5 | 3 |
| DK,NA | 3 | 1 | 1 | 2 | 2 | 2 | 1 | 2 | 3 | 3 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 6.8 | 7.5 | 7.3 | 7.6 | 5.7 | 5.6 | 5.5 | 6.0 | 5.4 | 5.0 | 5.9 | 6.0 | 6.4 |
| VARIANCE | 70 | 91 | 71 | 84 | 62 | 59 | 59 | 85 | 54 | 58 | 71 | 53 | 65 |
| CASES | 696 | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

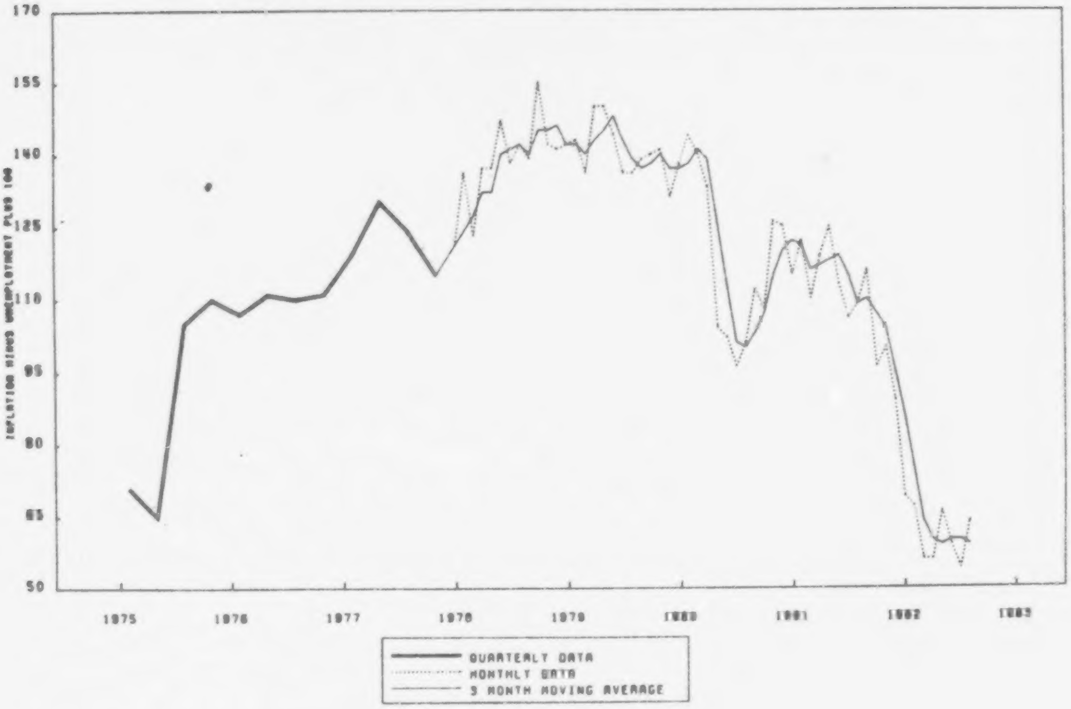
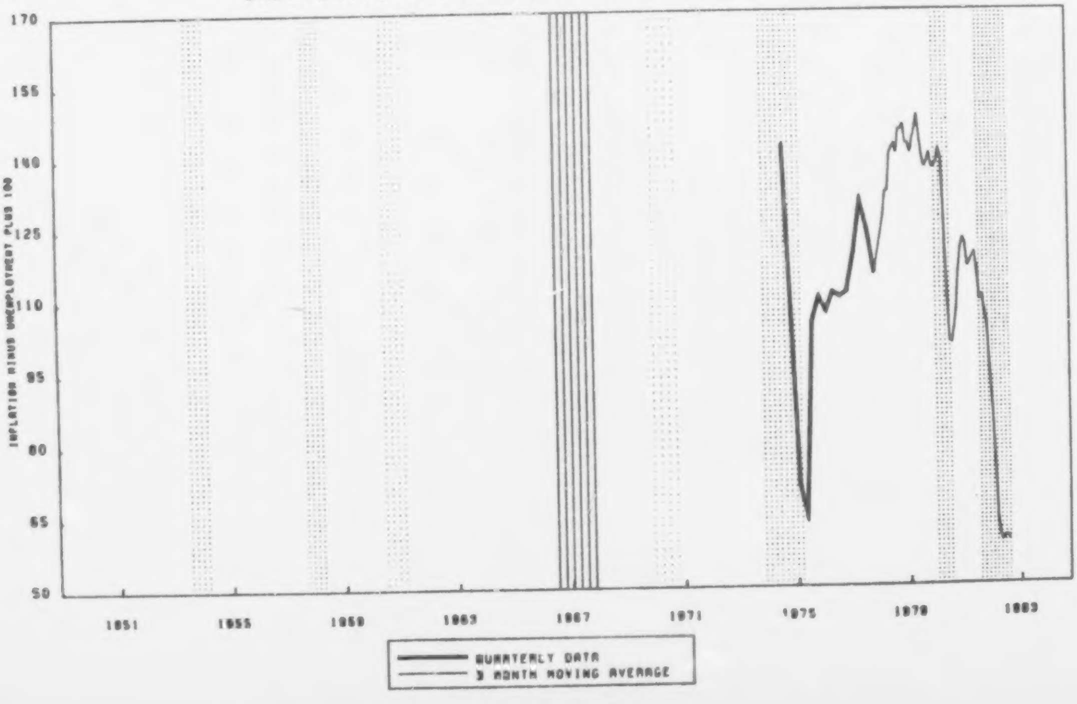


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS



## TABLE 24

## UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 39% | 37% | 45% | 43% | 49% | 60% | 59% | 66% | 65% | 62% | 64% | 67% | 62% |
| BOTH EQUALLY SERIOUS | 11 | 9 | 12 | 13 | 11 | 10 | 14 | 11 | 13 | 9 | 12 | 11 | 11 |
| INFLATION | 48 | 53 | 41 | 43 | 38 | 29 | 26 | 22 | 21 | 28 | 23 | 21 | 26 |
| DK,NA | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

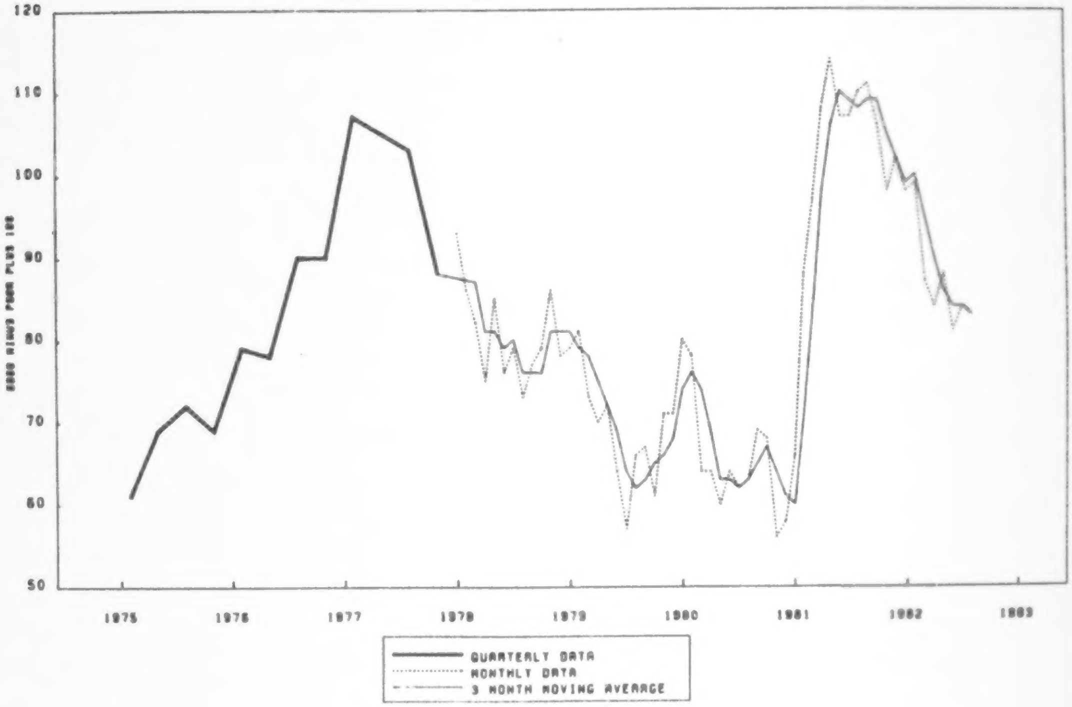
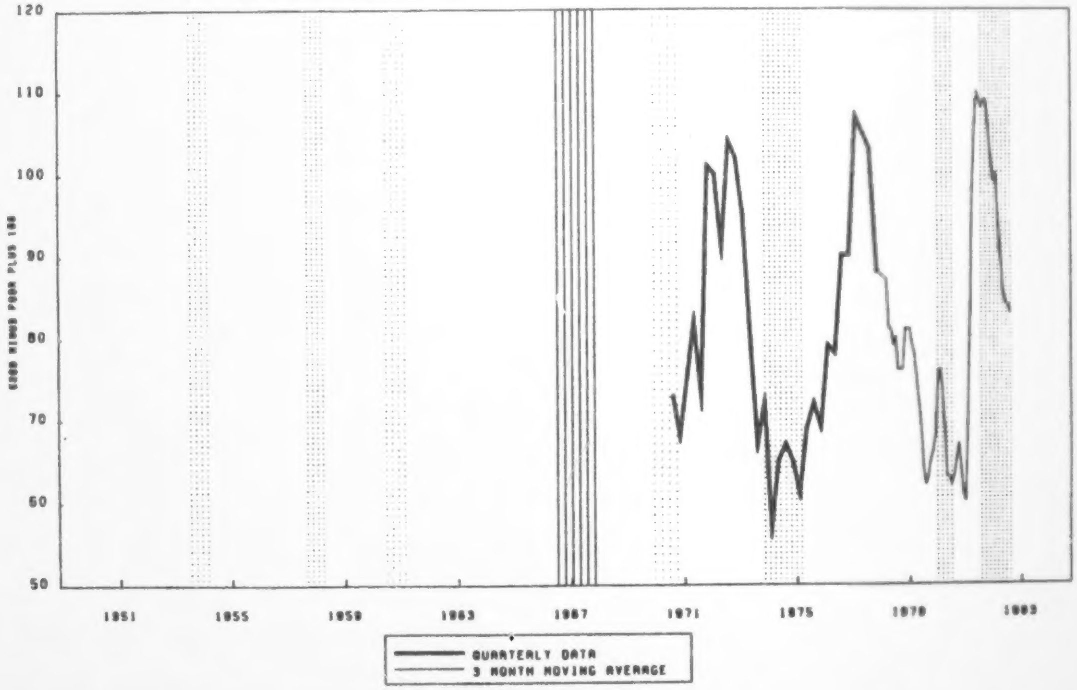


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



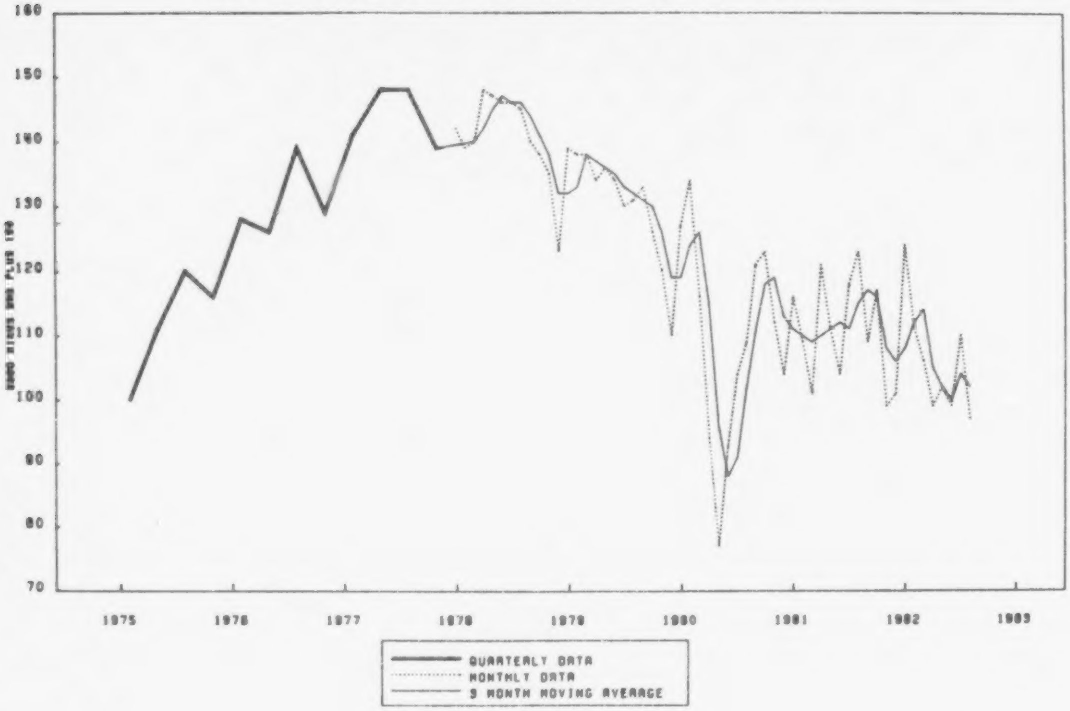
## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

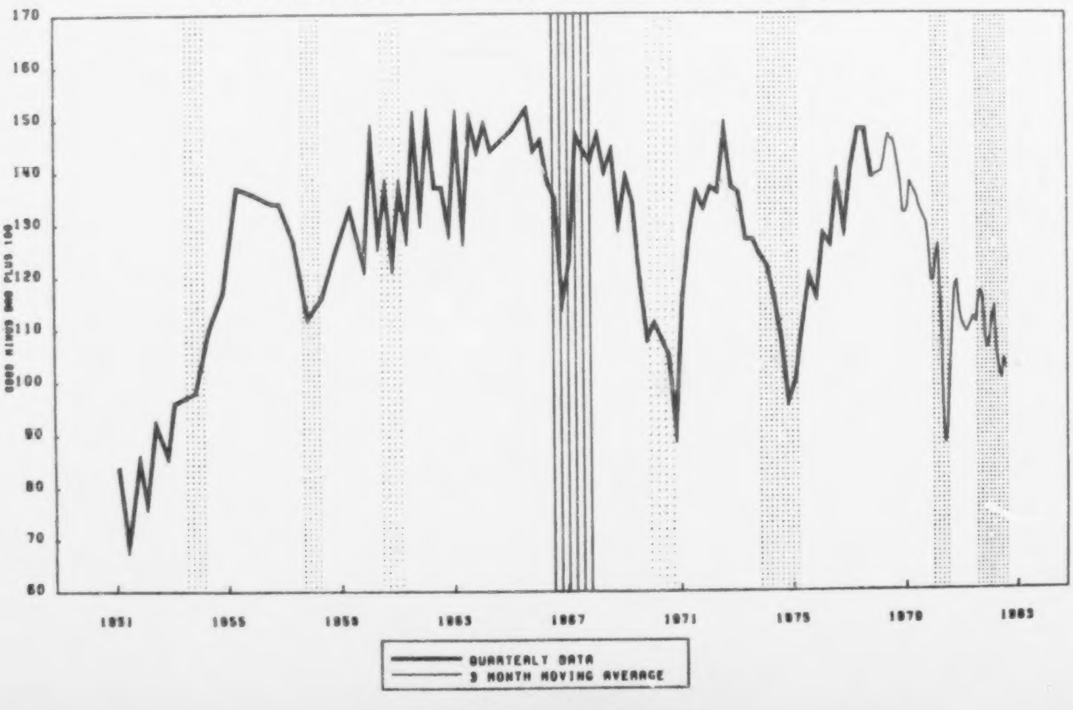
| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 31% | 31% | 31% | 23% | 26% | 25% | 27% | 18% | 22% | 20% | 16% | 18% | 17% |
| ONLY FAIR | 44 | 45 | 41 | 49 | 47 | 46 | 42 | 48 | 37 | 46 | 46 | 46 | 45 |
| A POOR JOB | 21 | 20 | 25 | 25 | 24 | 27 | 28 | 31 | 38 | 32 | 35 | 34 | 34 |
| DK,NA | 4 | 4 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

## CHART 26 - RECENT CHANGES
## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## CHART 26 - HISTORICAL SERIES
## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## TABLE 26

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 55% | 44% | 52% | 43% | 44% | 57% | 48% | 48% | 41% | 45% | 43% | 48% | 41% |
| UNCERTAIN, DEPENDS | 13 | 21 | 13 | 13 | 13 | 10 | 15 | 10 | 17 | 12 | 13 | 14 | 15 |
| BAD TIME TO BUY | 32 | 35 | 35 | 44 | 43 | 33 | 37 | 42 | 42 | 43 | 44 | 38 | 44 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

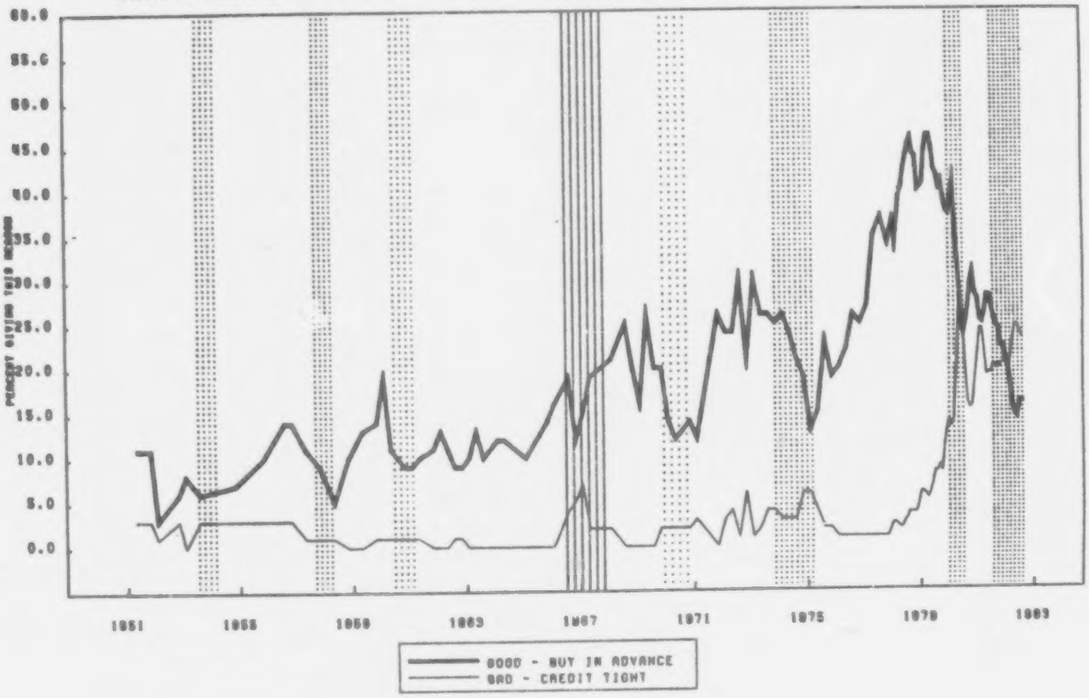
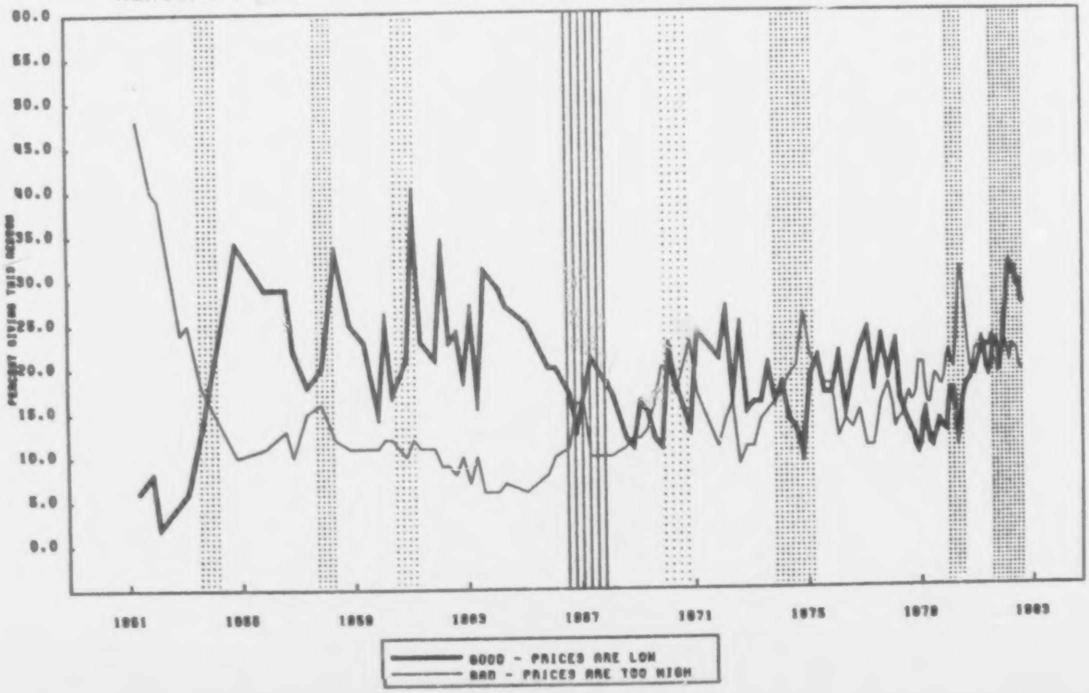


CHART 27B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES



# TABLE 27

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 24% | 20% | 21% | 19% | 26% | 32% | 30% | 32% | 29% | 31% | 27% | 30% | 24% |
| Prices won´t come down; are going higher | 26 | 21 | 25 | 20 | 21 | 22 | 18 | 15 | 14 | 15 | 14 | 19 | 15 |
| Interest rates low; credit is easy | 3 | 1 | 1 | 2 | 2 | 3 | 2 | 1 | 1 | 3 | 2 | 2 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 17 | 21 | 19 | 25 | 26 | 17 | 22 | 22 | 23 | 21 | 21 | 18 | 19 |
| Interest rates are high; credit is tight | 21 | 21 | 17 | 23 | 21 | 18 | 19 | 24 | 26 | 24 | 24 | 24 | 22 |
| Lack of purchasing power | 7 | 9 | 11 | 12 | 15 | 13 | 15 | 18 | 19 | 20 | 21 | 19 | 21 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

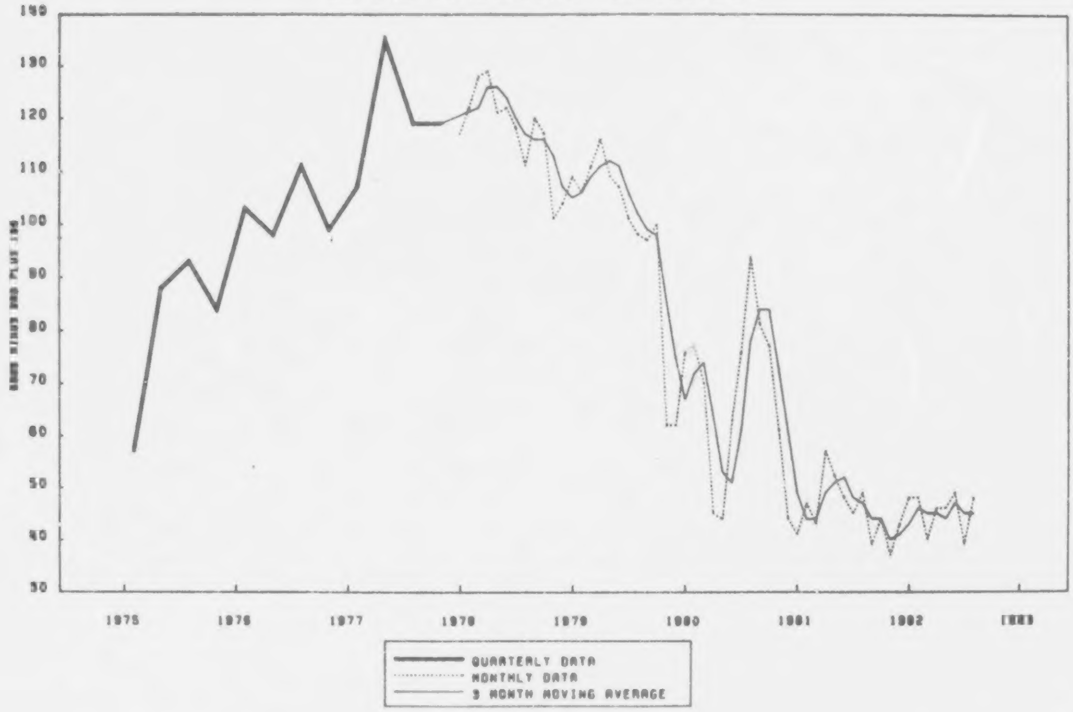


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

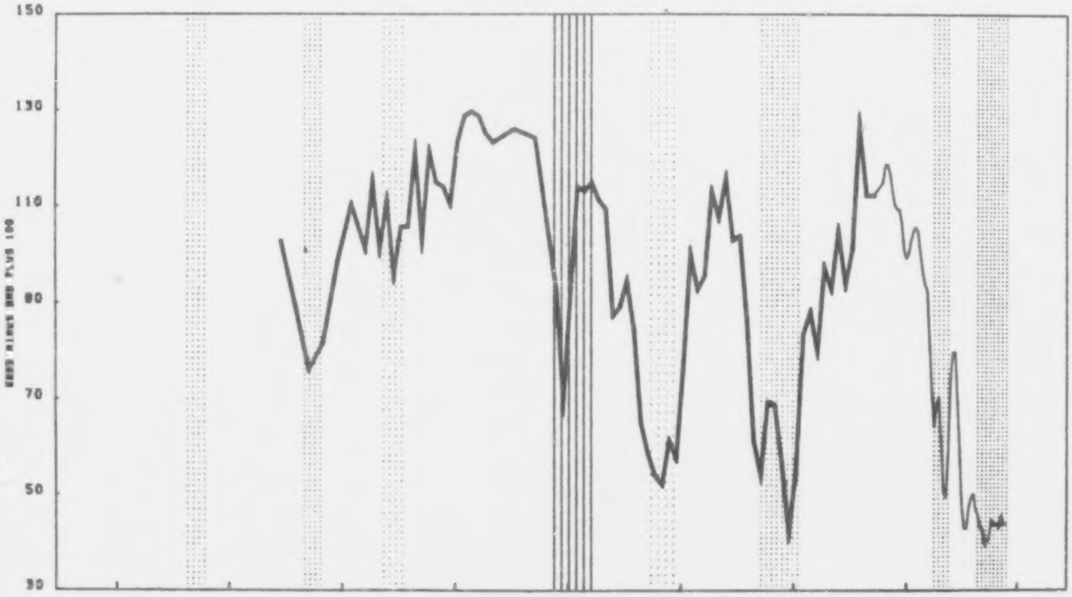


TABLE 28

BUYING CONDITIONS FOR HOUSES

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 21% | 15% | 18% | 16% | 19% | 21% | 21% | 17% | 20% | 19% | 21% | 15% | 20% |
| UNCERTAIN, DEPENDS | 7 | 9 | 8 | 5 | 5 | 6 | 6 | 6 | 6 | 8 | 7 | 9 | 8 |
| BAD TIME TO BUY | 72 | 76 | 74 | 79 | 76 | 73 | 73 | 77 | 74 | 73 | 72 | 76 | 72 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

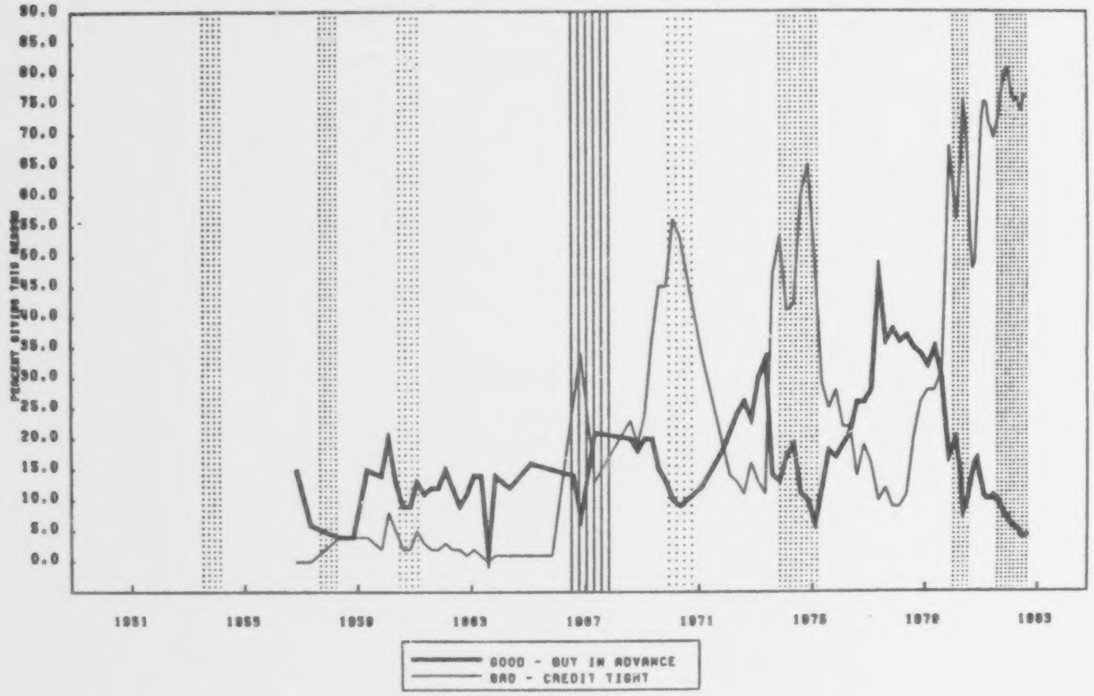
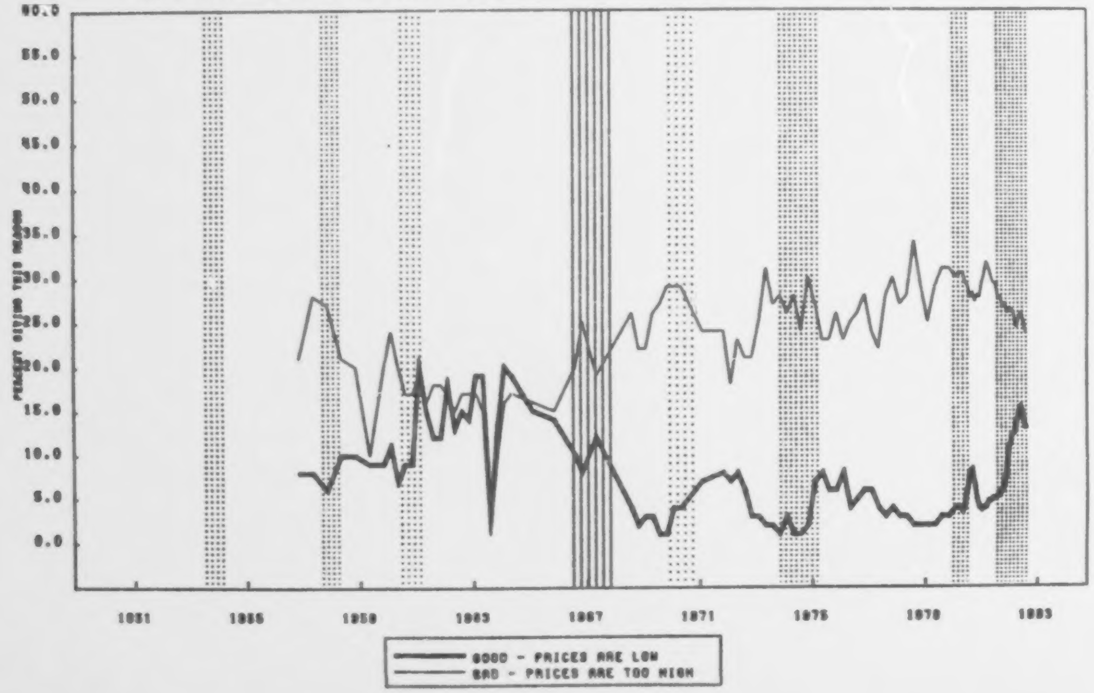


CHART 29B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



## TABLE 29

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 6% | 5% | 7% | 7% | 12% | 13% | 11% | 13% | 15% | 16% | 15% | 12% | 12% |
| Prices won´t come down; are going higher | 10 | 7 | 9 | 7 | 7 | 5 | 5 | 7 | 4 | 4 | 4 | 4 | 5 |
| Interest rates low; credit is easy | 8 | 6 | 4 | 4 | 6 | 8 | 7 | 4 | 6 | 6 | 7 | 4 | 7 |
| Good investment | 5 | 4 | 3 | 5 | 3 | 5 | 6 | 4 | 5 | 5 | 4 | 3 | 4 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 23 | 30 | 27 | 24 | 27 | 28 | 24 | 25 | 24 | 27 | 27 | 21 | 23 |
| Interest rates are high; credit is tight | 76 | 80 | 78 | 83 | 81 | 72 | 76 | 78 | 74 | 72 | 75 | 82 | 71 |
| Lack of purchasing power | 11 | 15 | 11 | 17 | 21 | 22 | 19 | 23 | 22 | 18 | 23 | 27 | 20 |

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

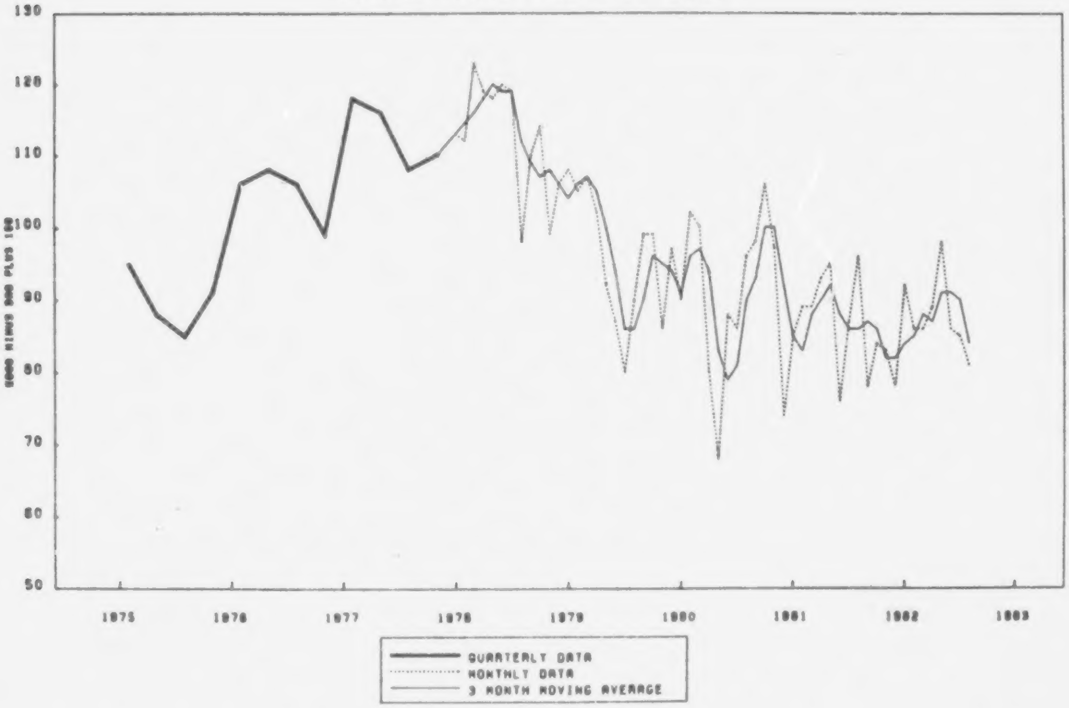
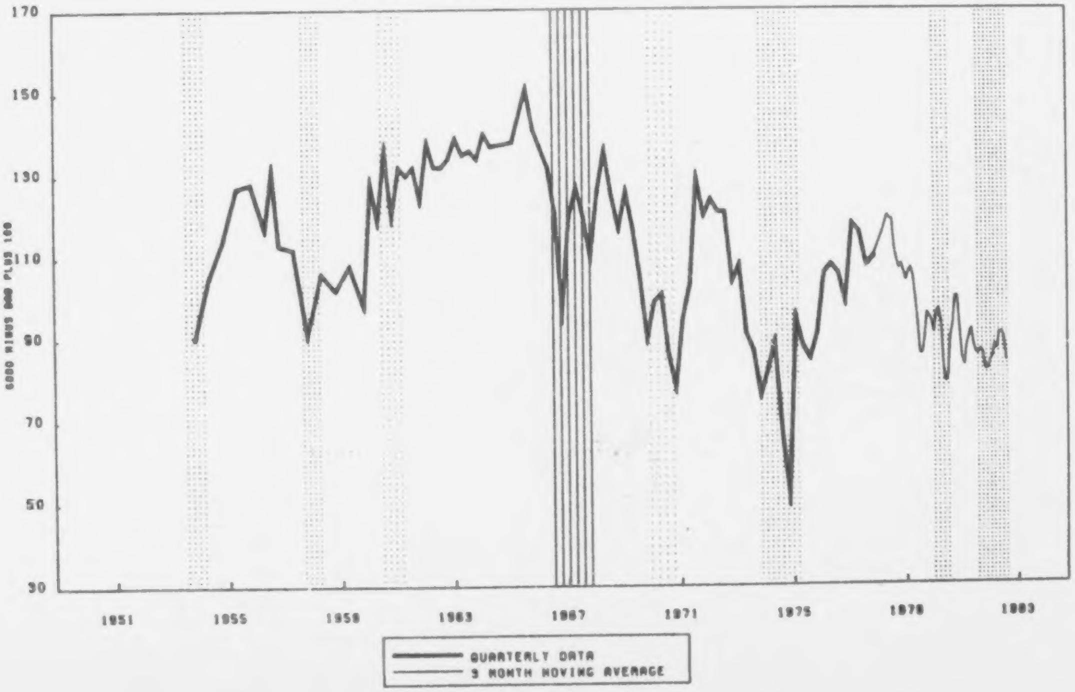


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



## TABLE 30

## BUYING CONDITIONS FOR CARS

|  | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 43% | 34% | 37% | 37% | 34% | 41% | 37% | 39% | 40% | 44% | 40% | 37% | 35% |
| UNCERTAIN; DEPENDS | 10 | 10 | 10 | 9 | 10 | 10 | 12 | 8 | 9 | 10 | 6 | 11 | 11 |
| BAD TIME TO BUY | 47 | 56 | 53 | 54 | 56 | 49 | 51 | 53 | 51 | 46 | 54 | 52 | 54 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

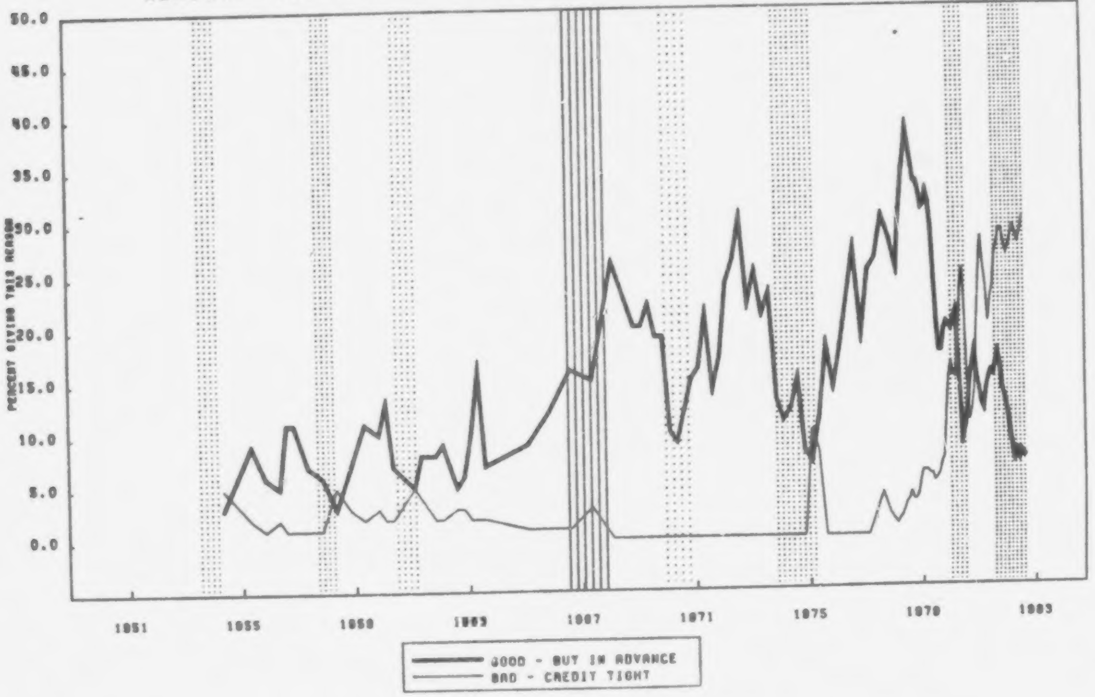
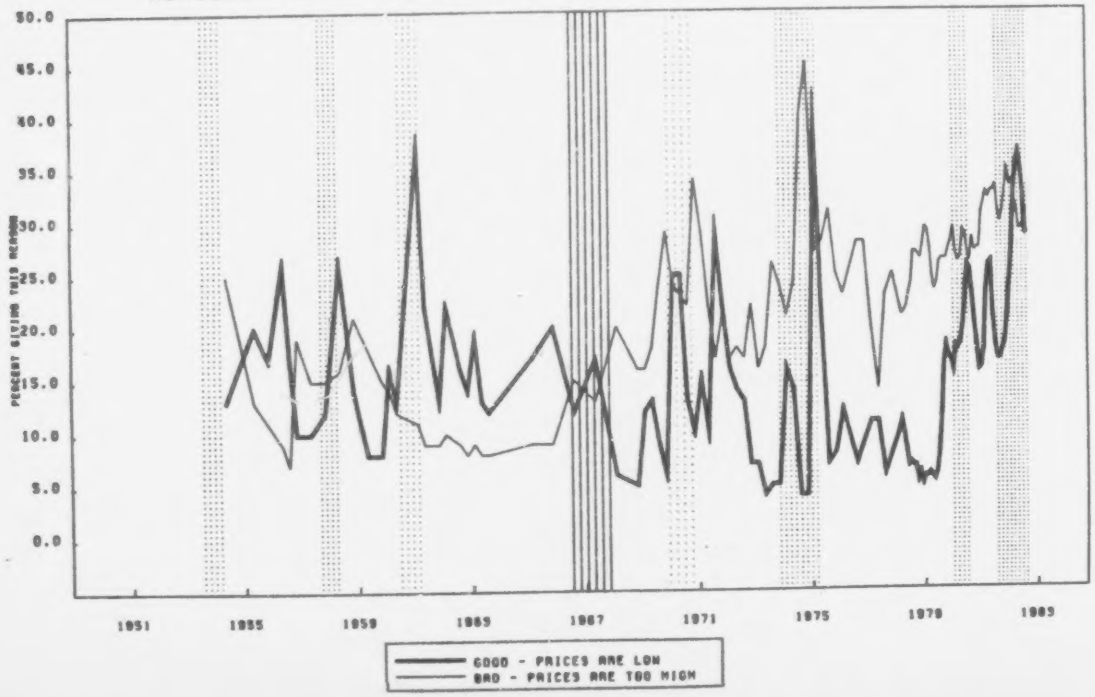


CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



## TABLE 31

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 19% | 14% | 20% | 21% | 22% | 29% | 33% | 37% | 36% | 36% | 32% | 28% | 26% |
| Prices won´t come down; are going higher | 18 | 15 | 14 | 12 | 12 | 11 | 6 | 8 | 7 | 8 | 6 | 9 | 7 |
| Interest rates low; credit is easy | 5 | 6 | 4 | 5 | 5 | 6 | 3 | 3 | 7 | 11 | 7 | 5 | 6 |
| New fuel efficient models | 4 | 4 | 2 | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 26 | 30 | 36 | 32 | 37 | 31 | 33 | 32 | 28 | 27 | 33 | 28 | 32 |
| Interest rates are high; credit is tight | 26 | 31 | 29 | 26 | 27 | 26 | 28 | 30 | 29 | 26 | 27 | 32 | 30 |
| Lack of purchasing power | 5 | 8 | 7 | 8 | 13 | 13 | 12 | 16 | 13 | 11 | 11 | 13 | 12 |
| Price of gas; shortages | 4 | 3 | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 2 | 2 | 1 |
| Poor selection; quality | 8 | 9 | 8 | 10 | 9 | 8 | 9 | 7 | 8 | 6 | 10 | 10 | 7 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

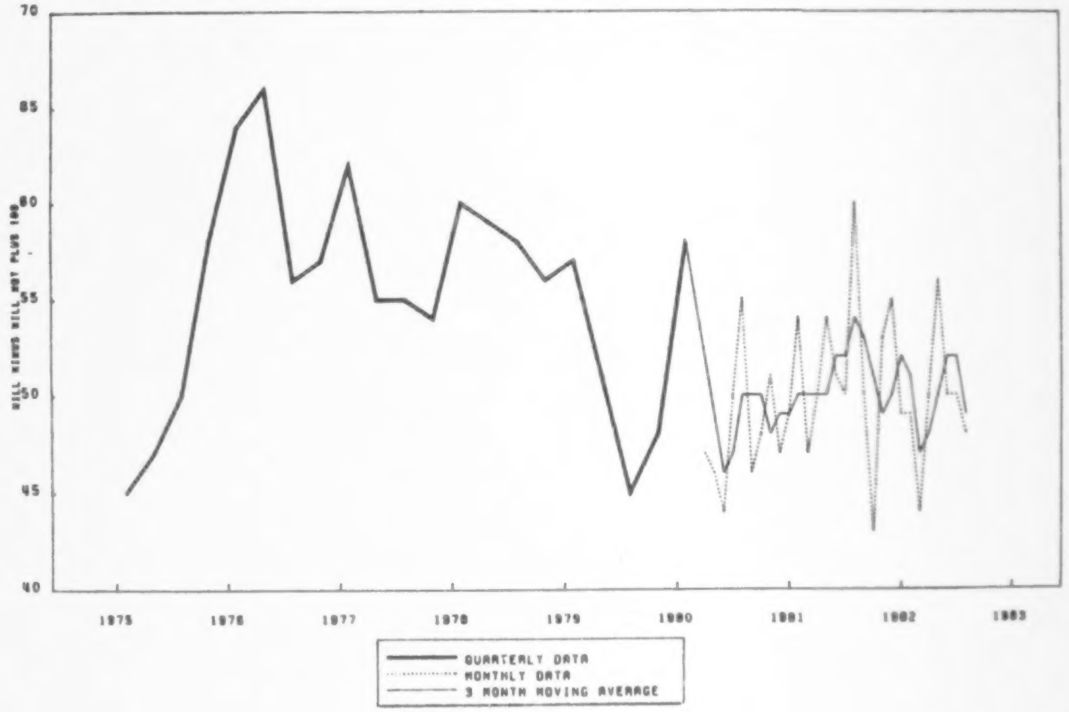


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

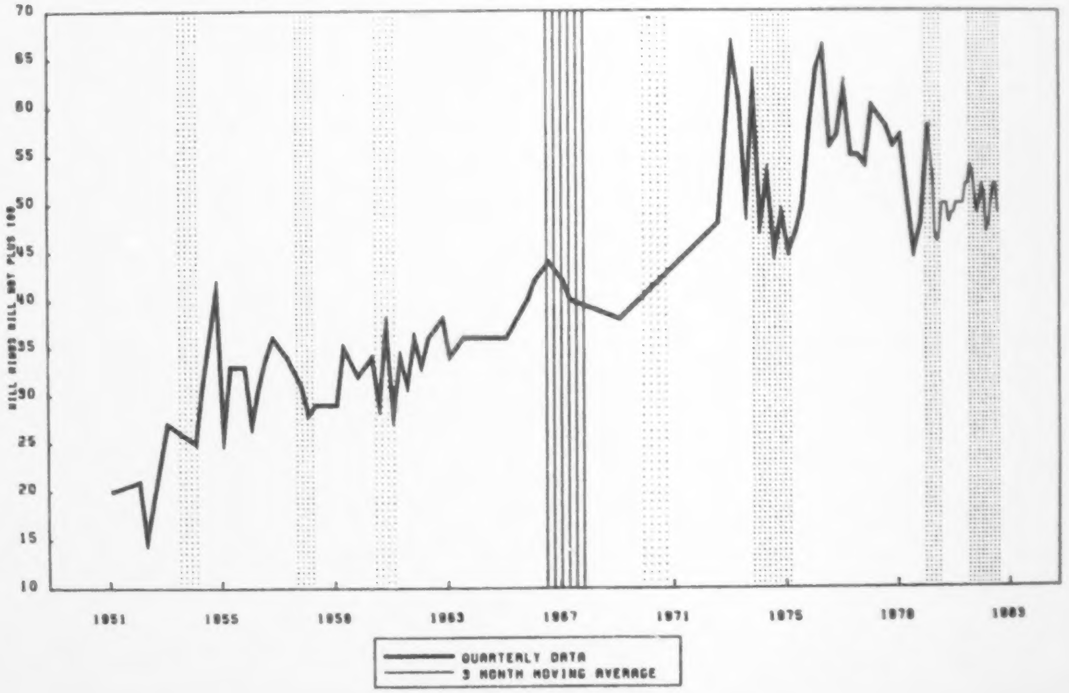


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 19% | 17% | 14% | 19% | 19% | 16% | 17% | 14% | 17% | 19% | 18% | 16% | 16% |
| CHANCES ARE EVEN | 7 | 3 | 7 | 6 | 7 | 8 | 7 | 7 | 6 | 8 | 7 | 8 | 7 |
| PROBABLY WILL NOT BUY | 59 | 67 | 70 | 66 | 64 | 67 | 68 | 70 | 67 | 63 | 68 | 66 | 68 |
| DK,NA | 15 | 13 | 9 | 9 | 10 | 9 | 8 | 9 | 10 | 10 | 7 | 10 | 9 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 696 | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 26% | 20% | 21% | 25% | 26% | 24% | 24% | 21% | 23% | 27% | 25% | 24% | 23% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 12 | 9 | 10 | 11 | 11 | 9 | 11 | 11 | 11 | 13 | 9 | 11 | 12 |
| Buy used | 11 | 9 | 9 | 12 | 13 | 13 | 11 | 9 | 11 | 11 | 13 | 11 | 9 |
| Lease | 2 | 1 | 1 | * | 1 | 1 | 1 | * | 1 | 1 | 2 | 1 | 1 |
| DK,NA | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | * | 2 | 1 | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 3 | 2 | 4 | 2 | 1 | 5 | 3 | 1 | 4 | 4 | 2 | 6 | 4 |
| Next 4-6 months | 7 | 4 | 6 | 6 | 5 | 7 | 6 | 5 | 7 | 7 | 5 | 6 | 5 |
| Next 7-9 months | 3 | 5 | 3 | 8 | 10 | 6 | 7 | 5 | 6 | 7 | 6 | 3 | 3 |
| 10 months or more | 7 | 5 | 4 | 4 | 6 | 3 | 5 | 6 | 2 | 3 | 7 | 4 | 4 |
| DK,NA | 6 | 4 | 4 | 5 | 4 | 3 | 3 | 4 | 4 | 6 | 5 | 5 | 7 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

## TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | Aug. 1981 | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 59% | 67% | 70% | 66% | 64% | 67% | 68% | 70% | 67% | 63% | 68% | 66% | 68% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 34 | 33 | 38 | 34 | 33 | 36 | 37 | 38 | 39 | 34 | 37 | 38 | 40 |
| Would buy used | 23 | 31 | 29 | 29 | 29 | 30 | 28 | 31 | 26 | 28 | 29 | 25 | 27 |
| DK,NA | 2 | 3 | 3 | 3 | 2 | 1 | 3 | 1 | 2 | 1 | 2 | 3 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 7 | 5 | 5 | 7 | 6 | 7 | 5 | 10 | 5 | 5 | 6 | 4 | 5 |
| 2 years | 18 | 23 | 20 | 18 | 22 | 23 | 22 | 22 | 21 | 20 | 25 | 20 | 22 |
| 3 years | 10 | 10 | 11 | 8 | 9 | 12 | 11 | 11 | 12 | 11 | 13 | 13 | 12 |
| 4 years or more | 18 | 21 | 24 | 19 | 19 | 19 | 22 | 21 | 22 | 19 | 16 | 21 | 18 |
| Indefinite | 1 | 2 | 4 | 4 | 3 | 3 | 1 | 1 | 1 | 2 | 3 | 2 | 4 |
| DK,NA | 5 | 6 | 6 | 10 | 5 | 3 | 7 | 5 | 6 | 6 | 5 | 6 | 7 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

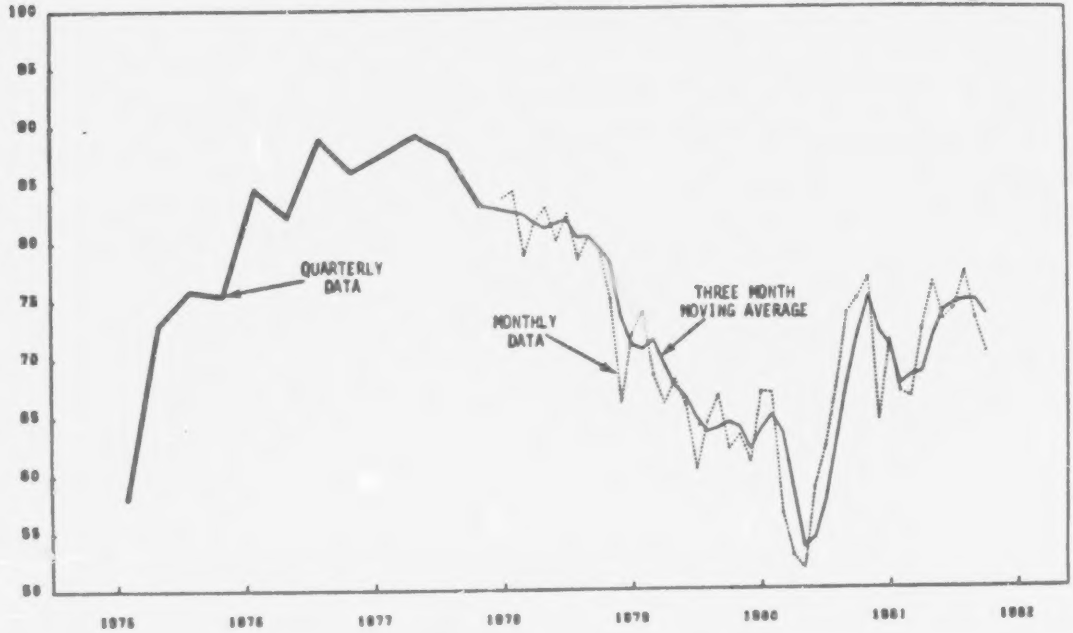
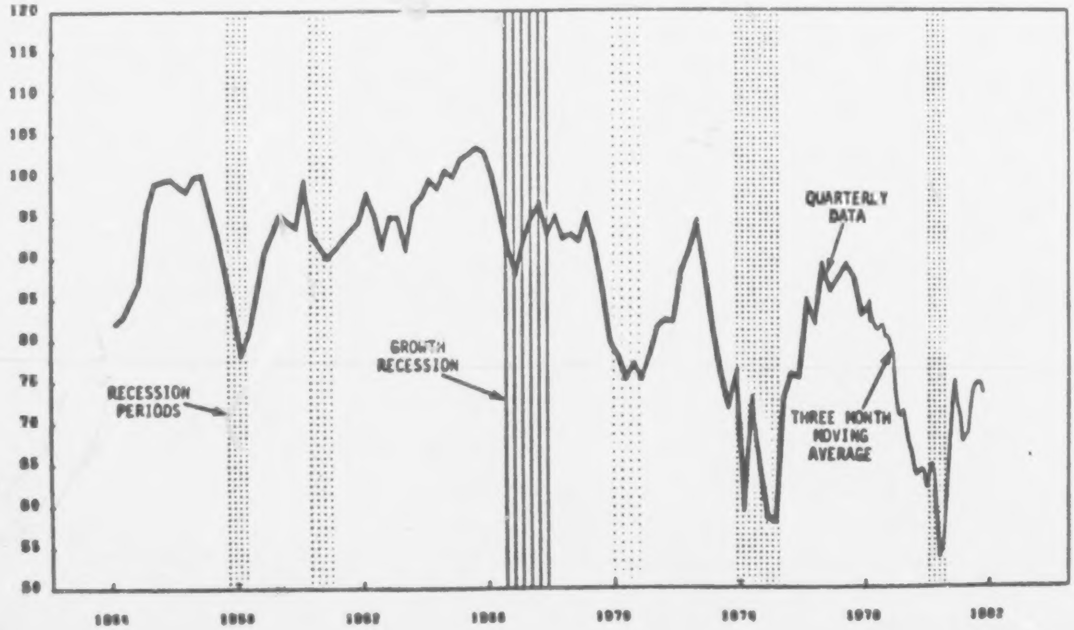


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

## TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 -

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

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[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

# SUMMARY

V7475-2

September 3, 1982

AUGUST 1982 MONTHLY REPORT

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## SENTIMENT STALLED AT LOW LEVELS:
## CONSUMERS AWAIT IMPROVEMENT IN ECONOMY

** In the August 1982 survey, the Index of Consumer sentiment was 65.4, identical to the July 1982 reading. During the prior six months, the Index also averaged 65.4, with only small month-to-month variations. Compared with last August, when the Index reached its highest level following the 1980 recession, the 1982 Index level is nearly 12 Index-points lower. Expected interest rate declines had a small favorable impact on economic attitudes and expectations, but was offset by less favorable attitudes toward current prices in the consumer markets.

** Among families with incomes of $25,000 or more, the Index rose to 73.6 in the August 1982 survey, up from 69.2 in the prior month. Despite this small improvement, consumer sentiment among high income families has not exhibited an upward path during the past six months; as with lower income families, the Index value has remained largely unchanged. Compared with year earlier readings, the high income Index also remained more than 10 Index-points below the 1981 reading.

** Interest rates were expected to decline by 41 percent of all consumers in the August 1982 survey, up from 32 percent in July, and 26 percent in August 1981. The proportion of households that expected increases in interest rates fell to 21 percent in the August 1982 survey, down from 37 percent one year earlier.

** The rate of inflation during the year ahead was expected to average 6.4% in the August 1982 survey, up from 6.0% in July, and the five year low of 5.0% recorded three months earlier in May 1982. Despite the recent increase, the inflation rate expected in August 1982 remained just below the year earlier reading of 6.8%.

** Buying attitudes remained at very unfavorable levels in the August 1982 survey. Proportionately more families reported unfavorable than favorable buying conditions for houses (72 versus 20 percent), for vehicles (54 versus 35 percent), and for household durables (44 versus 41 percent). The major reason given by consumers for these unfavorable views was high interest rates. Postponement of major purchases was reported by 36 percent of all families in August, up from 30 percent in July. Postponement has been encouraged by expected future declines in interest rates.

** The July and August 1982 surveys recorded a significant shift in consumer opinions regarding the Reagan tax cut program compared with year earlier readings: fewer consumers expected even smaller increases in take-home pay, and those increases have been increasingly earmarked to meet current or "everyday" expenses not to make major new purchases. Fewer consumers expected a resulting increase in their take-home pay in August (30 percent) than in the April-May 1981 surveys (46 percent). Among those families that did expect an increase in take-home pay, the amount of the expected increase in the August 1982 survey ($25 per month) was half the level recorded one year earlier.

Monitoring Economic Change Program
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## Unemployment Dominates Views on Economy

When asked about recent developments in business conditions, increases in unemployment were reported more frequently in the July and August 1982 surveys than at any other time in the last quarter century. Among all families, 53 percent spontaneously mentioned hearing about increases in unemployment when asked about news of the economy in the August 1982 survey. This was just above the 52 percent recorded in July, more than three times the level recorded in August 1981 (17 percent), and above the prior recession peaks in June 1980 (50 percent) and in February 1975 (47 percent). Unemployment was expected to increase further by 46 percent of all families in the August 1982 survey, just below the 48 percent recorded in July, and above the 36 percent recorded in August 1981. Unemployment expectations have remained essentially unchanged at these unfavorable levels throughout the first half of 1982 with four-in-five respondents expecting unemployment to either remain at the same high current levels or to increase further in the year ahead.

Four-in-five respondents thought that the economy had worsened during the past year in the August 1982 survey, a level which has remained largely unchanged during the past 9 months but is significantly less favorable than 12 months earlier. From August 1981 to August 1982 unfavorable evaluations of current economic conditions rose from 50 to 80 percent, while reports of favorable changes in the economy fell from 33 to 12 percent.

Unemployment rather than inflation continues to be viewed as the more serious economic hardship facing the nation in the August 1982 survey. Among all families, 62 percent thought unemployment represented the more serious economic problem, compared with 26 percent that thought inflation was the more serious problem. This greater concern with unemployment has been documented in each of the surveys thus far in 1982. In contrast, one year earlier families more frequently thought inflation rather than unemployment was the more serious economic problem by a margin of 48 to 39 percent.

Respondents were less optimistic about improvements in the economy during the year ahead in the August 1982 survey than either one month or one year earlier, although they have remained on balance favorable. Families more frequently expected improvement rather than deterioration in future business conditions by the margin of 31 to 23 percent in the August 1982 survey. However, the favorable balance of opinion has been narrowed since one year earlier when more than twice as many respondents expected improvement rather than deterioration (38 versus 17 percent). When asked why they expected business conditions to improve or worsen, substantially fewer respondents expected government economic policies to have a favorable impact on business conditions in the August 1982 survey (11 percent) than in the August 1981 survey (29 percent). Overall, confidence in government economic policy to reduce unemployment and inflation in the August 1982 survey remained near the lowest levels recorded for this administration. Among all families, twice as many rated government economic policy as poor rather than good (34 versus 17 percent), in sharp contrast to the favorable balance of opinion recorded in August 1981 (31 versus 21 percent).

In the August 1982 survey the proportion that expected bad times financially in the economy as a whole fell to 62 from 70 percent one month earlier. Although still quite pessimistic, the 62 percent recorded in August was the lowest level in nine months. Long term business expectations improved by a smaller amount, with the proportion of all families that expected bad times financially over the next five years falling to 54 percent in August 1982 from 59 percent in July. Although consumers held much less favorable views about the near term outlook in comparison with year earlier readings, longer term business expectations remained at largely unchanged levels.

## Income Declines Foster Cautious Financial Outlook

Little change was recorded during the summer months of 1982 in consumer evaluations of their current financial situation. American families continued to more frequently report that their financial situation had worsened (40 percent) during the past year rather than improved (29 percent) in the August 1982 survey. Although largely unchanged from one or three months earlier, persoanl financial attitudes are less favorable than one year earlier, when as many families reported improvement as deterioration. Excluding only the August 1981 survey, every other monthly survey since the start of 1979 has recorded more unfavorable than favorable evaluations of personal finances. This represents the longest period of time that personal financial attitudes have remained on balance unfavorable in the history of these surveys.

Trends in the reasons given by consumers, when asked to explain how their financial situation had changed, reflect the impact of income reductions and spreading unemployment during the past year. From August 1981 to August 1982, the proportion of American households that reported income declines rose from 11 to 20 percent, while at the same time the proportion that reported income increases fell from 32 to 25 percent. Slower rates of income growth were also expected for the year ahead. In the August 1982 survey, 25 percent expected their family income to increase by 10% or more during the next 12 months, down from 33 percent in August 1981. Last August, 9 percent of all households expected income declines; in the August 1982 survey the proportion rose to 15 percent. Reduced inflation rates did not act to stimulate further improvement in personal financial attitudes during the past year. In the August 1982 survey and the August 1981 survey the same proportion of households mentioned the role of inflation (27 percent)--most of the improvement due to lower rates of inflation was recorded before last August.

While attitudes toward their current financial situation have remained near record low levels, expectations for improvement have stalled at levels much improved over the recent record lows. Improvement rather than deterioration in their financial situation during the year ahead continues to be expected by more families, by the margin of 30 to 20 percent in the August 1982 survey. These expectations are, however, less optimistic than the 34 to 17 percent margin recorded in August 1981.

Concern with unemployment and income declines has led most consumers to remain cautious in their spending plans. Consumers are not yet willing to incur new debt or use accumulated savings to make large purchases. Compared with one and two years earlier, somewhat fewer families were willing to use accumulated savings to make large purchases, and were more reluctant to use credit (see Table A). In the August 1982 survey, 72 percent of all families reported that they were reluctant to draw on accumulated savings, and 85 percent of all families said they were reluctant to use credit to make major purchases.

## Buying Conditions Remain Unfavorable

Consumer attitudes toward current buying conditions remained at unfavorable levels in the August 1982 survey. High interest rates underlie much of the negative opinions. Although references to high interest rates declined somewhat in each of the three markets studied in the August survey, the frequency of references remained near all time record levels. When asked about the housing market, high interest rates were mentioned by 71 percent of all households, down from 82 percent in July and 76 percent in August 1981. With regard to the auto market, high interest rates were mentioned by 30 percent of all families, down from 32 percent in July but above the 26 percent recorded in the prior August survey. High interest rates were cited in connection with large household durables by 22 percent of all families in August 1982, down from 24 percent in July and just above the 21 percent recorded a year earlier.

Favorable attitudes toward purchsaes of large household durables were held by 41 percent of all households, down from 48 percent in July and 55 percent in August 1981. At the same time unfavorable buying attitudes rose to 44 percent in August 1982, up from 32 percent one year earlier. The unfavorable balance of opinion in the August survey was the most negative recorded since the 1980 recession. The frequency of references to price discounts and sales fell to 24 percent in August from 30 percent in July. Despite the August decline, references to lower durable prices were more frequent than unfavorable references to high prices--in sharp contrast to the late 1970s. The proportion of families that cited advance buying because of expected increases in the prices of major household durables fell to just 15 percent in August, down from 19 percent in July and 26 percent one year earlier. During the past year a number of respondents, when asked to explain why they thought it was a good or bad time to buy durables, rather than mention market price or supply conditions, referred to the inability of families to make such major purchases due to unemployment and income declines. Given this lack of purchasing power, respondents viewed the buying conditions for large household durables unfavorably. This lack of income discretion was cited by 21 percent of all respondents in the August 1982 survey, up from just 7 percent in the prior August survey.

Favorable attitudes toward market conditions for cars were somewhat lower in August 1982 than one month or one year earlier. Among all families, 54 percent held unfavorable views of car buying conditions, just above the 52 percent in July and 47 percent in August 1981. For the past three years, attitudes toward the automobile market have fluctuated in a narrow band at low levels previously recorded only during recessions. Although the August level is near the lower end of that range, the data are insufficient to indicate any renewed trend toward further deterioration. The appeal of rebates and discounts helped to improve car buying attitudes earlier in 1982, with one-third of all families citing lower car prices in the February through June 1982 surveys. The availability of rebates and price discounts was cited by

26 percent of all respondents in August 1982, down from a high of 37 percent in March 1982. Nonetheless, references to lower car prices were more frequent in the August 1982 survey than during the prior five August surveys. References to high car prices, however, were also more frequent in August 1982 (32 percent) than in July (28 percent) or one year earlier (26 percent). On balance, the August survey recorded more consumers that cited high auto prices than lower prices and rebates, unlike earlier in 1982 when favorable price references outnumbered unfavorable references.

Attitudes toward buying conditions for housing improved somewhat in the August 1982 survey over one month earlier, but nonetheless remained near record low levels. Among all families, 72 percent thought it was a bad time to buy a house in the August 1982 survey, down from 76 percent in July and identical to the 72 percent recorded in August 1981. The proportion of families holding favorable buying attitudes rose in August to 20 from 15 percent in July, just below the 21 percent recorded in August 1981. The major reason for the recent improvement as well as the continued unfavorable view of buying conditions involves interest rates. The proportion of families that mentioned high mortgage rates fell from 82 percent in July to a still substantial 71 percent in August--although the lowest level recorded during the past 12 months.

## Purchase Postponement Remains Widespread

In the August 1982 survey, 36 percent of all families reported that they had postponed a purchase due to high interest rates during the past six months, up from 30 percent in July (see Table B). The most frequently postponed purchases reported in August 1982 were vehicles (13 percent), household durables (11 percent), and housing (10 percent). In the August 1982 survey, consumers reported that the interest rate on the purchases that they had decided to postpone would have been 17.5%, while the interest rate they would have been willing to pay was 11.9%. Both of these figures are comparable to those recorded in the prior surveys (see Table C).

The widespread postponement of purchases due to the current high interest rates has been encouraged by the expectation of interest rates declines in the year ahead. Consumers expected interest rates to decline rather than to increase by a margin of 41 to 21 percent in the August 1982 survey, a significant improvement from one year earlier, when consumers expected increases rather than declines in interest rates by a margin of 37 to 26 percent.

## Tax Cut Stimulus Fades

In the July and August 1982 surveys, repeating questions asked in 1981 and earlier surveys, respondents were asked whether they expected their monthly take-home income to change as a result of the tax cut (see Table D). Fewer respondents reported that they expected their incomes to increase in the August 1982 (30 percent) and July 1982 (31 percent) surveys than in the April-May 1981 surveys (46 percent). Not only did fewer families expect income increases, but the expected amount of the increase in disposable income has also declined sharply during the past year. Among those families that expected increases in their take-home pay, the median monthly increase was $25 in August 1982, half the $50 expected in April-May 1981.

Families more frequently reported spending plans when asked what they planned to do with the increase in after-tax income in the August 1982 survey: 43 percent, up from 36 percent in July 1982, and 25 percent in April-May 1981. Although overall spending plans increased from 25 to 43 percent during the past year, the major portion of this increase occurred not in plans for making major new purchases (rising to 9 from 8 percent), but rather in increased expectations that these funds would be used to cover everyday expenses (from 17 to 34 percent). Fewer respondents expected to save the extra income, with the proportion falling to 25 percent from 41 percent in 1981.

Although spending rather than saving plans increased during the past year, since fewer families expected even smaller increases, the net spending stimulus was left largely unchanged. Consistent with the large decrease in the expected amount of the tax reduction, the increase in spending was planned to cover current needs and "everyday" expenses, not major new purchases such as household durables, vehicles, and home additions and repairs.

* * *

The August 1982 survey included 682 interviews conducted between July 27 and August 26, 1982.

## TABLE A

## OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

a) Use of Savings

| | Feb. 1977 | Feb. 1978 | Feb. 1979 | Aug. 1980 | Aug. 1981 | Aug. 1982 |
|---|---|---|---|---|---|---|
| OK to use savings; not especially reluctant | 37% | 32% | 32% | NA | 30% | 25% |
| Pro-con | 5 | 3 | 3 | | 1 | 1 |
| Not OK to use savings; especially reluctant | 56 | 62 | 63 | | 67 | 72 |
| DK, NA | 4 | 3 | 2 | | 2 | 2 |
| Total | 100% | 100% | 100% | | 100% | 100% |
| Cases | 1097 | 1135 | 1228 | | 685 | 614 |

b) Use of Credit

| | Feb. 1977 | Feb. 1978 | Feb. 1979 | Aug. 1980 | Aug. 1981 | Aug. 1982 |
|---|---|---|---|---|---|---|
| OK to use credit; not especially reluctant | 22% | 20% | 16% | 13% | 14% | 12% |
| Pro-con | 2 | 2 | 1 | 2 | 1 | 1 |
| Not OK to use credit; especially reluctant | 71 | 77 | 82 | 84 | 82 | 85 |
| DK, NA | 5 | 1 | 1 | 1 | 3 | 2 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |
| Cases | 1203 | 1276 | 1361 | 579 | 696 | 680 |

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The questions were: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?" and "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for your to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

## TABLE B

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | June 1980 | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 | May 1982 | July 1982 | Aug. 1982 |
|---|---|---|---|---|---|---|---|---|---|
| Postponed Purchases:[a] | 15% | 30% | 37% | 33% | 33% | 33% | 31% | 30% | 36% |
| Vehicles | 5 | 11 | 15 | 12 | 10 | 12 | 12 | 12 | 13 |
| House, home repairs | 2 | 11 | 15 | 10 | 11 | 12 | 11 | 9 | 10 |
| Household durables | 7 | 8 | 8 | 10 | 10 | 8 | 7 | 9 | 11 |
| Other | 1 | 4 | 5 | 6 | 7 | 8 | 5 | 5 | 7 |
| Did not postpone purchase | 84 | 67 | 62 | 66 | 66 | 67 | 68 | 68 | 62 |
| Don't know, not ascertained | 1 | 3 | 1 | 1 | 1 | * | 1 | 2 | 2 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

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*Less than half of one percent.

[a] Items may add to more than total, due to multiple mentions.

See Table B for question wording.

## TABLE C

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | | | | | | | | | August 1982 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 | May 1982 | July 1982 | Aug. 1982 | Vehicles | House, Real Estate | Household Durables |
| Postponed Purchases | | | | | | | | | | | |
| All households | 30% | 37% | 33% | 33% | 33% | 31% | 30% | 36% | 13% | 10% | 11% |
| Interest rate that would have been charged on postponed purchase | | | | | | | | | | | |
| Median | 17.3% | 17.6% | 17.5% | 17.8% | 17.5% | 17.5% | 17.7% | 17.5% | 17.5% | 16.5% | 18.1% |
| Highest interest willing to pay to make purchases | | | | | | | | | | | |
| Median | 11.8% | 12.0% | 12.0% | 12.0% | 12.1% | 11.7% | 12.0% | 11.9% | 12.0% | 11.5% | 11.9% |
| Difference between interest rate charged and willing to pay | | | | | | | | | | | |
| Median | 4.6% | 5.0% | 4.9% | 5.3% | 4.9% | 5.3% | 5.6% | 5.3% | 5.4% | 5.0% | 5.6% |

The questions asked were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October 1981 to August 1982: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

## TABLE D

## EXPECTED CHANGE IN MONTHLY TAKE-HOME PAY IF PERSONAL INCOME TAX REDUCTIONS ARE ADOPTED

| Expect Take-home Pay to... | 1963 | April-May 1981 | July 1982 | Aug. 1982 |
|---|---|---|---|---|
| Increase | NA | 46% | 31% | 30% |
| Stay the same | | 40 | 53 | 51 |
| Decrease | | 2 | 4 | 7 |
| Does not pay taxes | | 6 | 9 | 7 |
| Don't know | | 2 | 1 | 2 |
| Not ascertained | | 4 | 2 | 3 |
| Total | | 100% | 100% | 100% |
| Cases | | 1224 | 708 | 680 |
| **Expect Increase in Monthly Take-home Pay** | | | | |
| Median | NA | $50 | $22 | $25 |
| **Planned Use of Increase in Take-home Pay** | | | | |
| Spend | 31% | 25% | 36% | 43% |
| New purchases | NA | 8 | 9 | 9 |
| Current expenses | NA | 17 | 27 | 34 |
| Repay debt | 12 | 21 | 24 | 22 |
| Save, invest | 44 | 41 | 33 | 25 |
| Both spend and save | 9 | 4 | 3 | 3 |
| Don't know, not ascertained | 4 | 9 | 4 | 7 |
| Total | 100% | 100% | 100% | 100% |

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The questions were: (April-May 1981) "If the personal income tax reductions were actually passed, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?" "What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

(July and August 1982) "As a result of the 1982 federal tax cut, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?" "What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

(1963) "Suppose that income taxes are cut, so that next year everyone will have more of his money left after taxes--what do you think most people would do with this money?"

# APPENDIX

## REVISED ESTIMATES OF PRICE EXPECTATIONS

During the past several years price expectations have declined considerably, and by early 1982 one-in-three respondents expected prices to remain unchanged or decline during the year ahead. Although the questionnaire wording refers to changes in the level of prices, some respondents could misinterpret the question as referring to the rate of inflation. In this event, a "same" response would not indicate a zero rate of increase, but the perceived past rate of inflation. The net effect would be to bias downward the estimated overall mean rate of expected inflation. Because of the greatly increased frequency of "same" responses in recent months, the March through August 1982 surveys specifically probed respondents that initially gave "same" responses as to whether they meant the rate or the level of prices would remain the same. Of the 28 percent that initially reported "same" responses in August, 19 percent replied that they meant prices would remain at the same level, but 19 percent replied that they meant prices would increase at the same rate (see Table A1). Consequently, the estimated proportion of families in August that expected price increases rose from 66 to 75 percent following the use of this probe.

When respondents were probed for the percentage rate that they meant by the "same rate," the extent of bias in the estimated mean price increases due to the misinterpretation of "same" responses was +0.5 percentage points in the August 1982 survey (5.9% mean increase when initial "same" responses were coded as a zero rate of inflation versus 6.4% after the adjustment). The extent of the potential bias is dependent on the overall frequency of "same" responses. For example, in March 1979 only 3 percent reported that they expected prices to remain "the same," while the July 1982 survey recorded 30 percent "same" responses, a level exceeded in only one other survey between 1961 and 1981. Consequently, the bias in estimated means is unlikely to exceed 1.0 percentage points.

Preliminary adjustments to the surveys conducted prior to March 1982 were established as follows: the ratio of "same rate" to "same level" responses observed from March through August 1982 was used to estimate the proportion of "same rate" responses in earlier surveys. The estimated proportion of "same rate" responses were then reassigned from a zero rate of inflation to the mean percentage response among those that initially expected

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price increases. As shown in Table A2 the new estimated mean was only 0.1 percentage points higher in the March 1979 survey, but has averaged between 0.6 and 0.8 percentage points during the past year.

### TABLE A1

### NEW MEASURES OF PRICE EXPECTATIONS

| | Expected Price Changes During the Next Year | | | | | |
|---|---|---|---|---|---|---|
| | March 1982 | April 1982 | May 1982 | June 1982 | July 1982 | August 1982 |
| Increase | 57% | 55% | 51% | 58% | 64% | 66% |
| Same rate | 9 | 9 | 10 | 10 | 11 | 9 |
| Same level | 22 | 22 | 27 | 23 | 19 | 19 |
| Go down | 10 | 11 | 9 | 7 | 4 | 5 |
| DK; NA | 2 | 3 | 3 | 2 | 2 | 1 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

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The questions were: "During the next 12 months do you think that prices in general will go up, or go down, or stay where they are now?" (IF SAME) "Do you mean that prices will go up at the same rate as now, or that prices in general will not go up during the next 12 months?" (IF UP/DOWN OR SAME RATE) "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

### TABLE A2

### EXPECTED PRICE CHANGES DURING THE NEXT YEAR

| Survey Dates | | Old Series | New Preliminary Estimates | Difference |
|---|---|---|---|---|
| March | 1979 | 9.7% | 9.8% | 0.1 |
| March | 1980 | 12.0 | 12.4 | 0.4 |
| March | 1981 | 7.0 | 7.5 | 0.5 |
| April | 1981 | 8.1 | 8.8 | 0.7 |
| May | 1981 | 7.6 | 8.2 | 0.6 |
| June | 1981 | 6.6 | 7.3 | 0.6 |
| July | 1981 | 6.7 | 7.4 | 0.7 |
| August | 1981 | 6.5 | 7.1 | 0.6 |
| September | 1981 | 7.5 | 8.3 | 0.8 |
| October | 1981 | 7.2 | 7.9 | 0.7 |
| November | 1981 | 7.7 | 8.4 | 0.7 |
| December | 1981 | 5.6 | 6.3 | 0.7 |
| January | 1982 | 5.4 | 6.2 | 0.8 |
| February | 1982 | 5.3 | 6.1 | 0.8 |
| March | 1982 | 5.3 | 6.0 | 0.7 |
| April | 1982 | 4.7 | 5.4 | 0.7 |
| May | 1982 | 4.3 | 5.0 | 0.7 |
| June | 1982 | 5.1 | 5.9 | 0.8 |
| July | 1982 | 5.3 | 6.0 | 0.7 |
| August | 1982 | 5.9 | 6.4 | 0.5 |

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# SURVEYS OF CONSUMER ATTITUDES

## TABLES AND CHARTS

SEPTEMBER 1982

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

# TABLES AND CHARTS

## SEPTEMBER 1982

The September 1982 survey is the 168th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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| 20 | EXPECTED CHANGE IN UNEMPLOYMENT |
| 21 | EXPECTED CHANGE IN INTEREST RATES |
| 22 | CHANGE IN PRICES DURING THE LAST 12 MONTHS |
| 23 | EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS |
| 24 | UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP |
| 25 | OPINIONS ABOUT THE GOVERNMENT´S ECONOMIC POLICY |
| 26 | BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS |
| 27 | SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS |
| 28 | BUYING CONDITIONS FOR HOUSES |
| 29 | SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES |
| 30 | BUYING CONDITIONS FOR CARS |
| 31 | SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS |
| 32 | PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS |
| 33 | CURRENT VEHICLE PURCHASE INTENTIONS |
| 34 | FUTURE VEHICLE PURCHASE INTENTIONS |

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

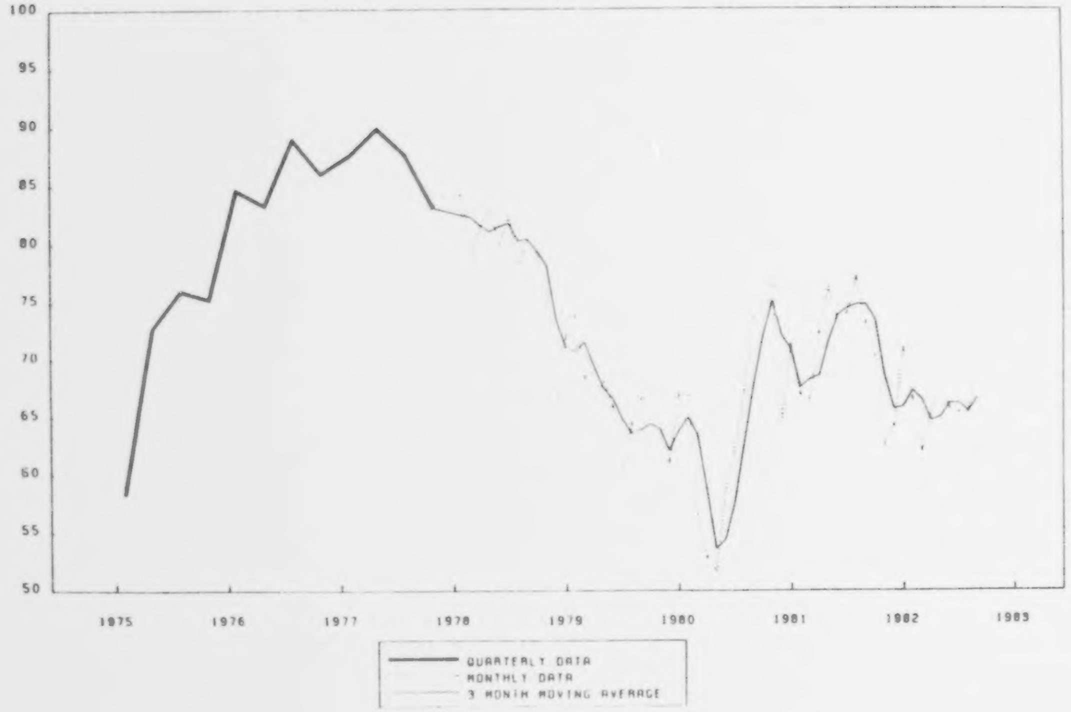
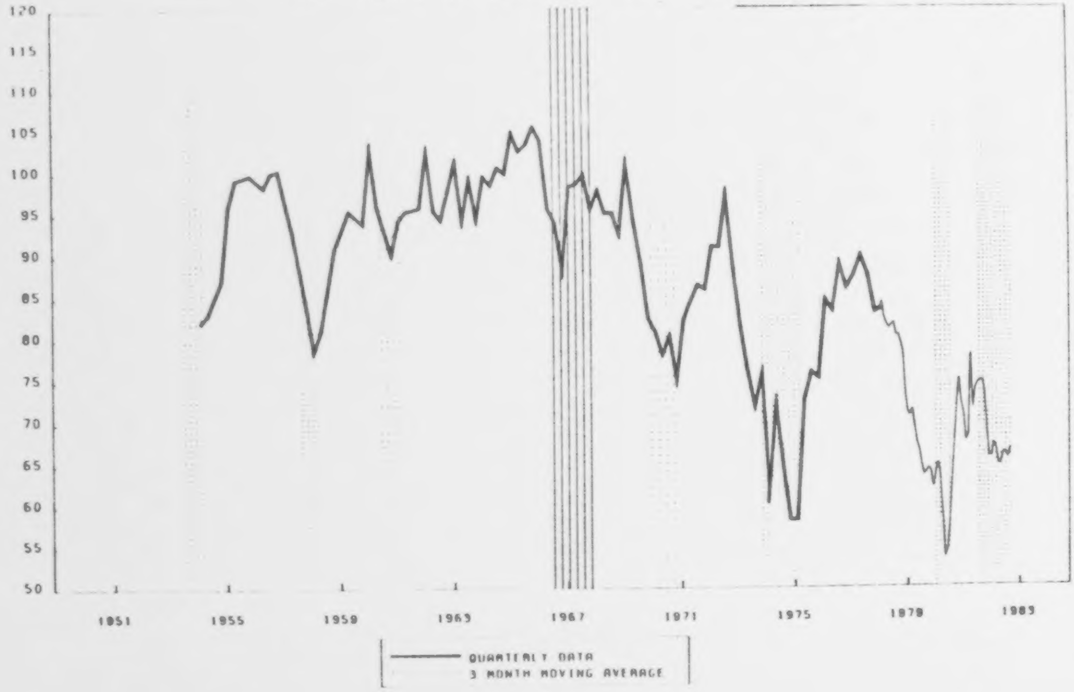


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## TABLE 1

## THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|
| September 1979 | 66.7 | 71.6 | 74.4 |
| October 1979 | 62.1 | 65.6 | 65.5 |
| November 1979 | 63.3 | 68.3 | 69.9 |
| December 1979 | 61.0 | 66.2 | 73.2 |
| January 1980 | 67.0 | 70.8 | 70.9 |
| February 1980 | 66.9 | 70.8 | 73.5 |
| March 1980 | 56.5 | 62.3 | 64.5 |
| April 1980 | 52.7 | 54.2 | 57.2 |
| May 1980 | 51.7 | 55.2 | 53.3 |
| June 1980 | 58.7 | 61.6 | 63.7 |
| July 1980 | 62.3 | 67.6 | 67.3 |
| August 1980 | 67.3 | 70.9 | 74.2 |
| September 1980 | 73.7 | 78.1 | 78.5 |
| October 1980 | 75.0 | 76.3 | 78.7 |
| November 1980 | 76.7 | 82.7 | 87.5 |
| December 1980 | 64.5 | 66.9 | 68.6 |
| January 1981 | 71.4 | 74.8 | 77.1 |
| February 1981 | 66.9 | 74.2 | 77.5 |
| March 1981 | 66.5 | 72.1 | 73.7 |
| April 1981 | 72.4 | 77.1 | 78.0 |
| May 1981 | 76.3 | 80.8 | 85.0 |
| June 1981 | 73.1 | 81.2 | 82.9 |
| July 1981 | 74.1 | 80.8 | 82.1 |
| August 1981 | 77.2 | 82.7 | 85.0 |
| September 1981 | 73.1 | 75.2 | 73.3 |
| October 1981 | 70.3 | 74.5 | 77.9 |
| November 1981 | 62.5 | 67.2 | 66.3 |
| December 1981 | 64.3 | 71.0 | 71.1 |
| January 1982 | 71.0 | 77.9 | 77.8 |
| February 1982 | 66.5 | 71.5 | 72.8 |
| March 1982 | 62.0 | 67.0 | 67.9 |
| April 1982 | 65.5 | 71.5 | 73.2 |
| May 1982 | 67.5 | 72.7 | 74.8 |
| June 1982 | 65.7 | 71.4 | 72.9 |
| July 1982 | 65.4 | 68.9 | 69.2 |
| August 1982 | 65.4 | 71.0 | 73.6 |
| September 1982 | 69.3 | 78.4 | 81.1 |

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

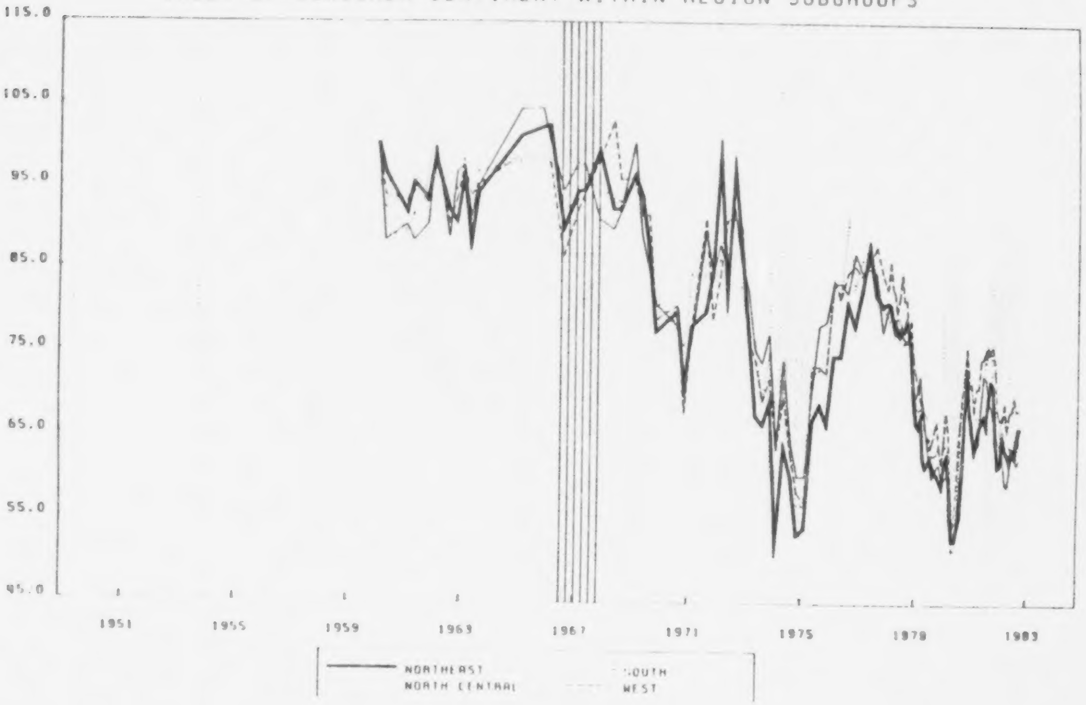


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

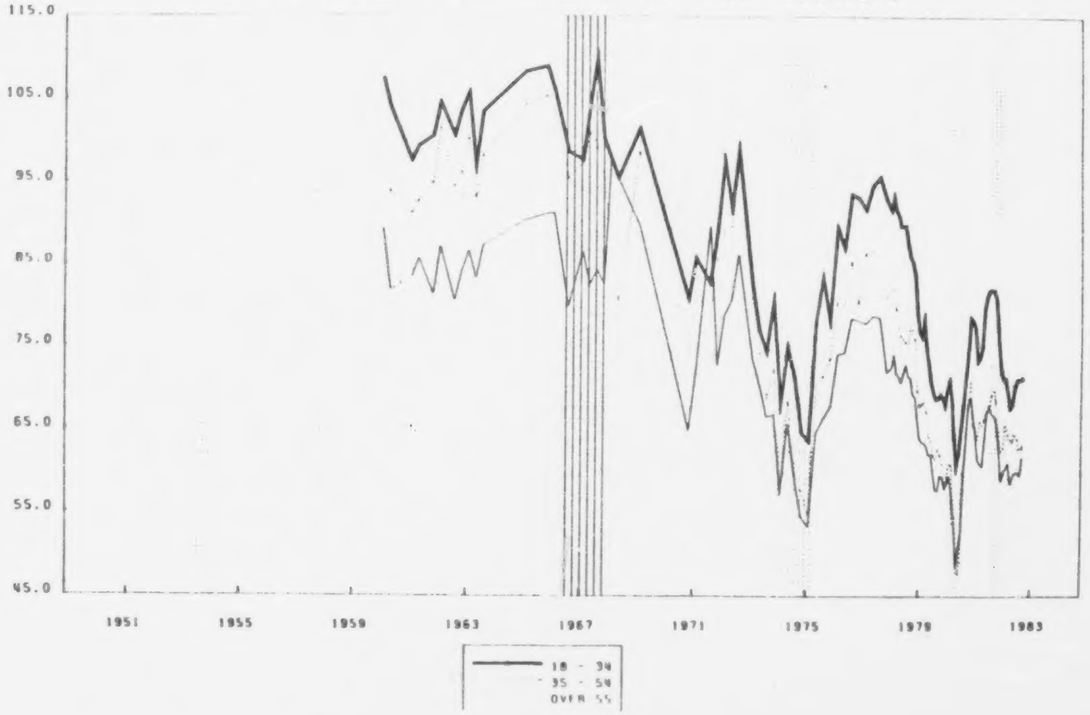


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|
| DATE OF SURVEY | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| September 1979 | 64.1 | 65.2 | 67.0 | 70.9 | 71.5 | 66.8 | 63.2 |
| October 1979 | 59.5 | 60.4 | 64.0 | 63.5 | 69.5 | 58.3 | 60.1 |
| November 1979 | 59.8 | 64.1 | 65.8 | 61.9 | 70.8 | 60.7 | 57.3 |
| December 1979 | 61.7 | 59.5 | 59.7 | 64.6 | 68.1 | 57.1 | 59.3 |
| January 1980 | 67.4 | 60.1 | 71.3 | 71.6 | 75.5 | 63.1 | 61.6 |
| February 1980 | 63.0 | 65.9 | 65.7 | 72.8 | 74.3 | 65.7 | 60.5 |
| March 1980 | 54.4 | 57.3 | 56.7 | 56.9 | 61.4 | 56.2 | 50.7 |
| April 1980 | 50.9 | 58.0 | 50.7 | 51.5 | 60.5 | 43.6 | 51.8 |
| May 1980 | 54.6 | 50.8 | 49.3 | 53.0 | 62.8 | 46.6 | 43.4 |
| June 1980 | 54.4 | 58.0 | 56.4 | 67.3 | 65.9 | 53.5 | 58.1 |
| July 1980 | 55.9 | 58.5 | 66.4 | 68.6 | 69.9 | 58.1 | 58.8 |
| August 1980 | 59.0 | 66.2 | 72.6 | 68.1 | 72.0 | 64.8 | 66.0 |
| September 1980 | 76.3 | 68.3 | 71.8 | 79.5 | 78.6 | 73.4 | 69.4 |
| October 1980 | 75.7 | 70.2 | 79.1 | 73.1 | 80.2 | 70.2 | 74.0 |
| November 1980 | 71.1 | 76.2 | 77.3 | 81.9 | 85.3 | 73.5 | 70.3 |
| December 1980 | 62.3 | 59.9 | 69.3 | 64.6 | 76.0 | 56.7 | 60.1 |
| January 1981 | 68.2 | 70.9 | 72.5 | 74.4 | 77.2 | 70.2 | 67.9 |
| February 1981 | 64.5 | 62.6 | 70.2 | 70.8 | 72.5 | 68.4 | 59.6 |
| March 1981 | 66.5 | 62.6 | 64.9 | 73.7 | 77.3 | 63.9 | 58.4 |
| April 1981 | 72.6 | 72.7 | 71.0 | 74.2 | 81.5 | 68.3 | 66.9 |
| May 1981 | 66.8 | 76.6 | 77.5 | 82.2 | 87.7 | 71.2 | 70.0 |
| June 1981 | 68.5 | 74.0 | 75.2 | 73.8 | 81.7 | 67.0 | 69.6 |
| July 1981 | 68.9 | 72.2 | 76.5 | 78.1 | 84.2 | 70.6 | 67.6 |
| August 1981 | 77.0 | 70.1 | 83.2 | 79.2 | 87.8 | 75.0 | 67.9 |
| September 1981 | 75.1 | 69.9 | 72.4 | 76.6 | 81.4 | 68.8 | 69.2 |
| October 1981 | 67.9 | 68.2 | 68.9 | 79.0 | 80.7 | 65.9 | 64.8 |
| November 1981 | 55.8 | 64.7 | 61.1 | 68.8 | 71.3 | 59.6 | 57.7 |
| December 1981 | 65.0 | 65.3 | 64.4 | 61.6 | 70.9 | 65.3 | 56.7 |
| January 1982 | 68.8 | 67.3 | 72.0 | 76.2 | 76.6 | 67.4 | 68.5 |
| February 1982 | 65.9 | 60.6 | 71.8 | 68.8 | 71.5 | 68.3 | 59.0 |
| March 1982 | 60.5 | 55.8 | 64.7 | 68.2 | 65.5 | 61.4 | 58.8 |
| April 1982 | 67.2 | 64.6 | 65.0 | 65.8 | 70.6 | 65.5 | 60.4 |
| May 1982 | 62.4 | 66.5 | 66.6 | 75.7 | 72.7 | 67.6 | 62.0 |
| June 1982 | 65.4 | 65.0 | 64.9 | 68.6 | 72.4 | 64.4 | 60.3 |
| July 1982 | 65.1 | 64.0 | 63.5 | 71.1 | 73.4 | 63.3 | 60.6 |
| August 1982 | 68.1 | 60.6 | 64.0 | 70.6 | 72.6 | 62.9 | 60.2 |
| September 1982 | 70.3 | 67.2 | 71.1 | 68.8 | 73.0 | 66.7 | 68.0 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

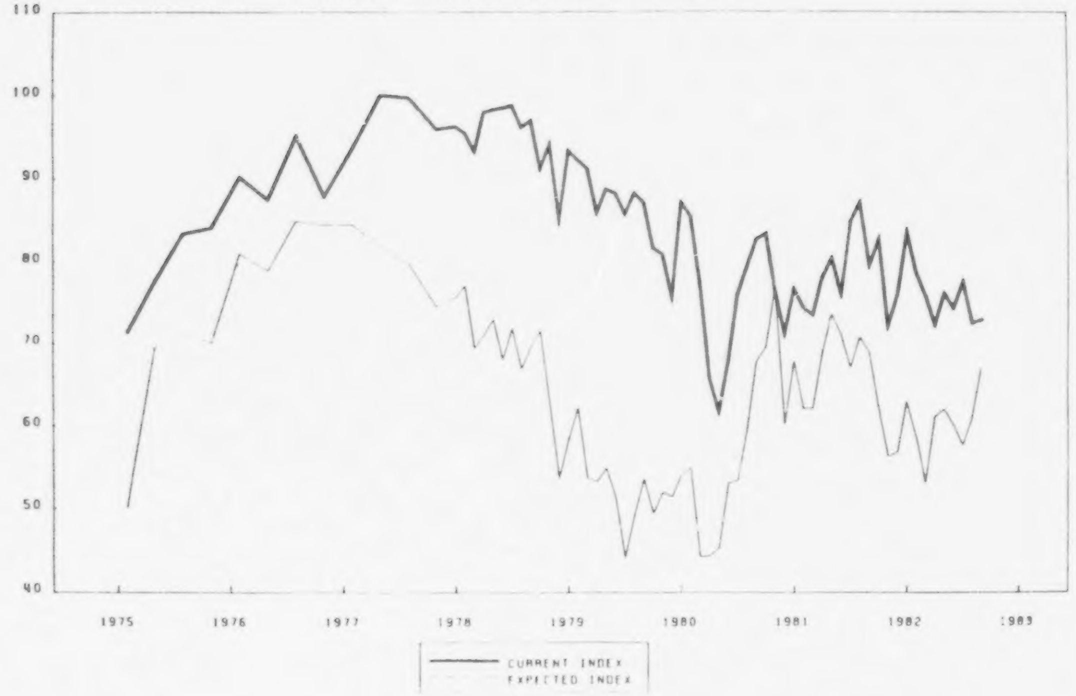
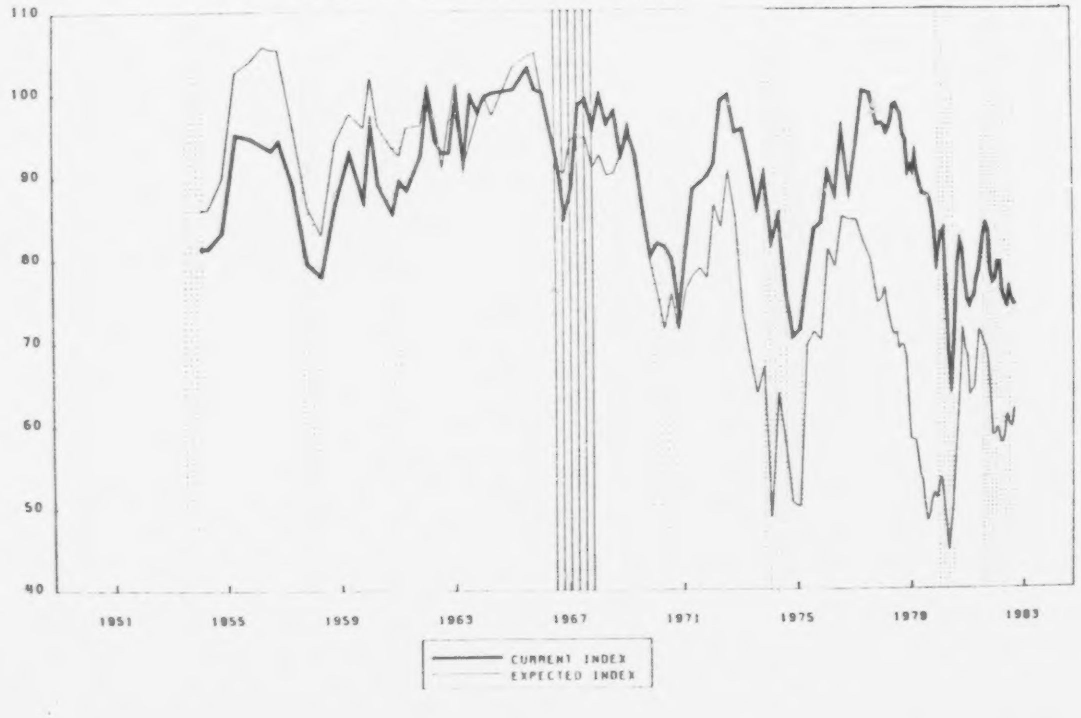


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



## TABLE 3

## COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | | | |
| | Current | Expected | 12 months | 5 years | Buying conds. | Current Index | Expected Index |
| DATE OF SURVEY | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| September 1979 | 90 | 98 | 60 | 51 | 133 | 87.1 | 53.6 |
| October 1979 | 83 | 96 | 48 | 49 | 126 | 81.6 | 49.5 |
| November 1979 | 86 | 97 | 52 | 54 | 120 | 80.9 | 52.0 |
| December 1979 | 83 | 101 | 50 | 50 | 110 | 75.8 | 51.5 |
| January 1980 | 96 | 106 | 58 | 47 | 127 | 87.1 | 54.1 |
| February 1980 | 85 | 99 | 55 | 60 | 134 | 85.5 | 54.9 |
| March 1980 | 76 | 92 | 38 | 41 | 116 | 75.3 | 44.3 |
| April 1980 | 73 | 94 | 32 | 45 | 94 | 65.8 | 44.4 |
| May 1980 | 79 | 100 | 31 | 44 | 77 | 61.7 | 45.3 |
| June 1980 | 78 | 101 | 43 | 63 | 93 | 67.4 | 53.0 |
| July 1980 | 90 | 105 | 45 | 58 | 104 | 76.1 | 53.4 |
| August 1980 | 93 | 111 | 63 | 60 | 109 | 79.4 | 59.6 |
| September 1980 | 91 | 117 | 83 | 69 | 121 | 82.7 | 67.9 |
| October 1980 | 90 | 108 | 84 | 83 | 123 | 83.4 | 69.6 |
| November 1980 | 83 | 118 | 94 | 93 | 112 | 76.4 | 76.9 |
| December 1980 | 77 | 100 | 64 | 73 | 104 | 71.2 | 60.2 |
| January 1981 | 80 | 109 | 78 | 81 | 116 | 76.7 | 67.9 |
| February 1981 | 80 | 106 | 64 | 73 | 109 | 74.4 | 62.1 |
| March 1981 | 86 | 104 | 68 | 72 | 101 | 73.5 | 62.1 |
| April 1981 | 79 | 111 | 83 | 78 | 121 | 78.1 | 68.8 |
| May 1981 | 95 | 118 | 92 | 81 | 111 | 80.4 | 73.6 |
| June 1981 | 89 | 113 | 91 | 78 | 104 | 76.1 | 71.2 |
| July 1981 | 99 | 114 | 81 | 70 | 118 | 84.9 | 67.1 |
| August 1981 | 100 | 117 | 92 | 72 | 123 | 87.1 | 70.8 |
| September 1981 | 94 | 113 | 80 | 80 | 109 | 79.5 | 69.0 |
| October 1981 | 95 | 110 | 68 | 67 | 117 | 82.7 | 62.3 |
| November 1981 | 85 | 110 | 54 | 56 | 99 | 72.1 | 56.3 |
| December 1981 | 94 | 110 | 54 | 61 | 101 | 75.9 | 56.8 |
| January 1982 | 92 | 115 | 66 | 70 | 124 | 83.5 | 62.9 |
| February 1982 | 91 | 112 | 56 | 65 | 111 | 78.6 | 58.7 |
| March 1982 | 89 | 106 | 44 | 60 | 106 | 75.9 | 53.1 |
| April 1982 | 87 | 111 | 62 | 70 | 99 | 72.3 | 61.1 |
| May 1982 | 94 | 113 | 62 | 72 | 102 | 76.1 | 62.0 |
| June 1982 | 92 | 116 | 58 | 65 | 99 | 74.3 | 60.1 |
| July 1982 | 90 | 113 | 53 | 63 | 110 | 77.5 | 57.6 |
| August 1982 | 89 | 110 | 64 | 69 | 97 | 72.5 | 60.9 |
| September 1982 | 89 | 116 | 76 | 74 | 98 | 72.9 | 66.9 |

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

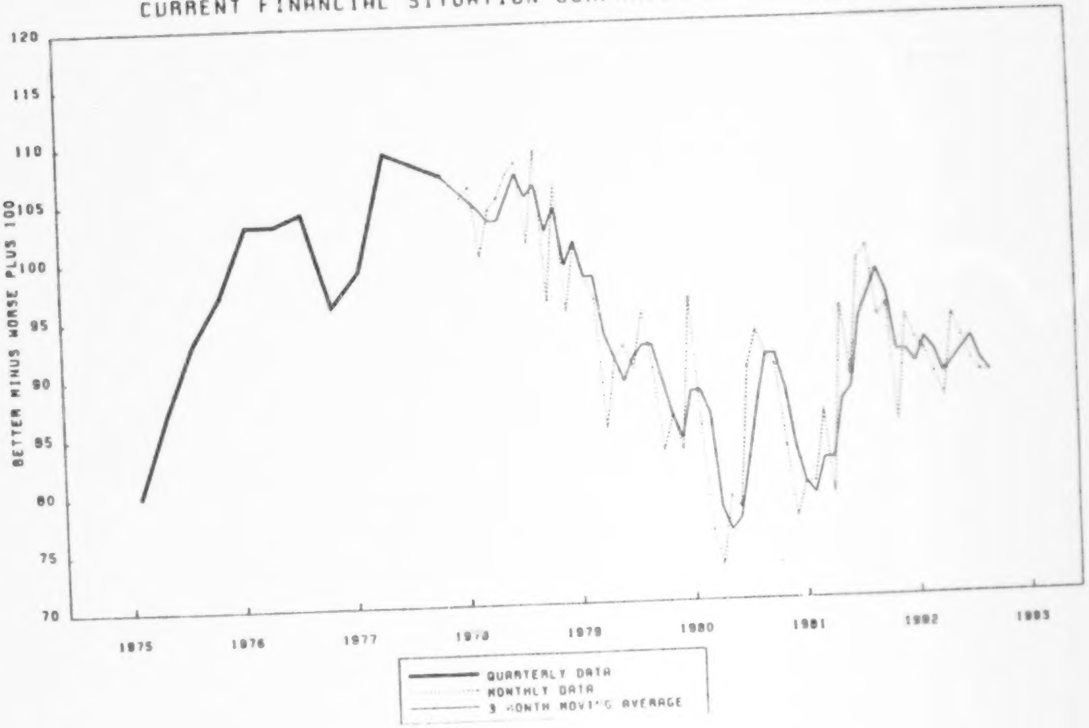
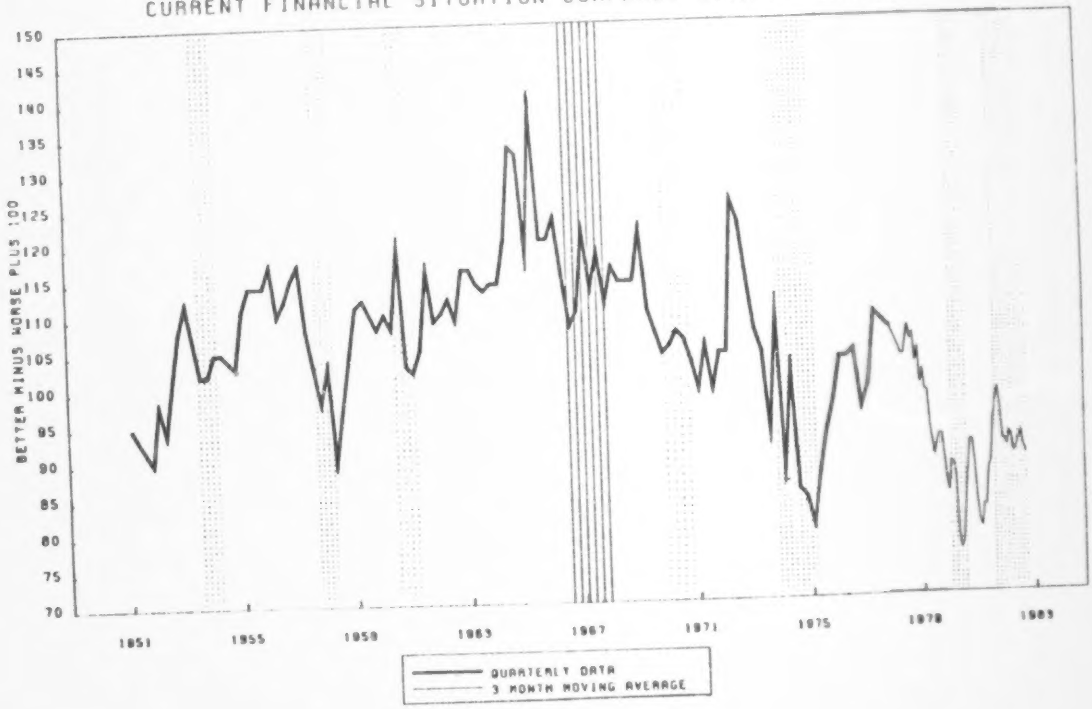


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



## TABLE 4

## CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

|  | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 32% | 31% | 29% | 32% | 32% | 30% | 31% | 27% | 31% | 30% | 31% | 29% | 31% |
| SAME | 29 | 32 | 27 | 29 | 28 | 30 | 27 | 33 | 32 | 32 | 28 | 30 | 27 |
| WORSE OFF | 38 | 36 | 44 | 38 | 40 | 39 | 42 | 40 | 37 | 38 | 41 | 40 | 42 |
| DK,NA | 1 | 1 | * | 1 | * | 1 | * | * | * | * | * | 1 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

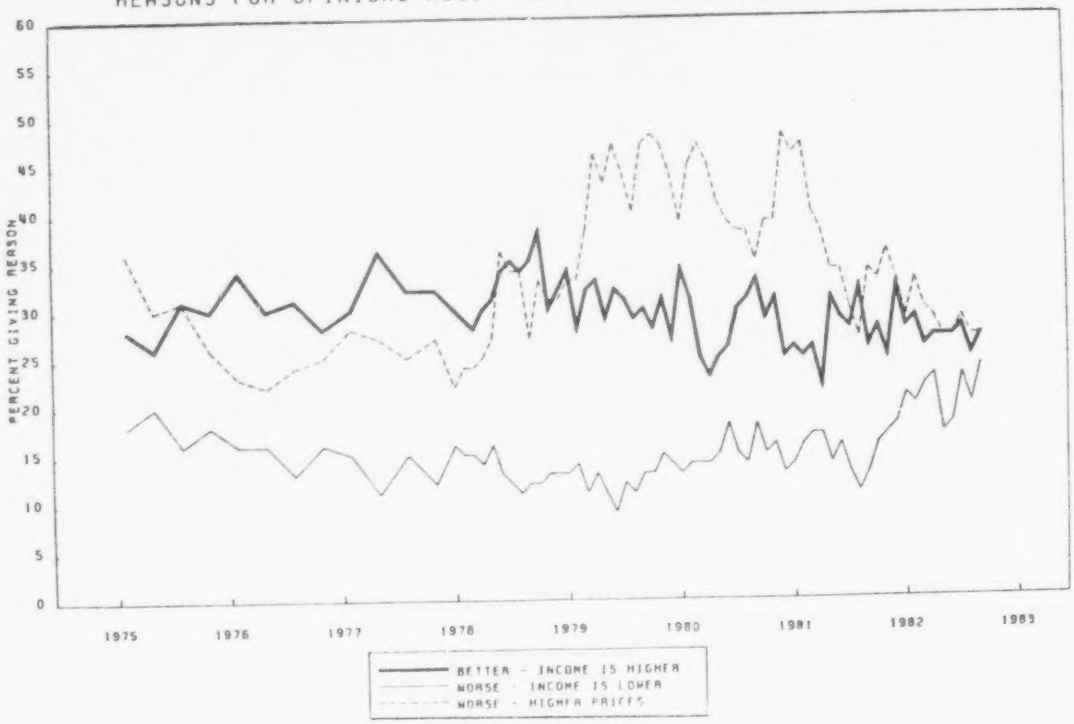
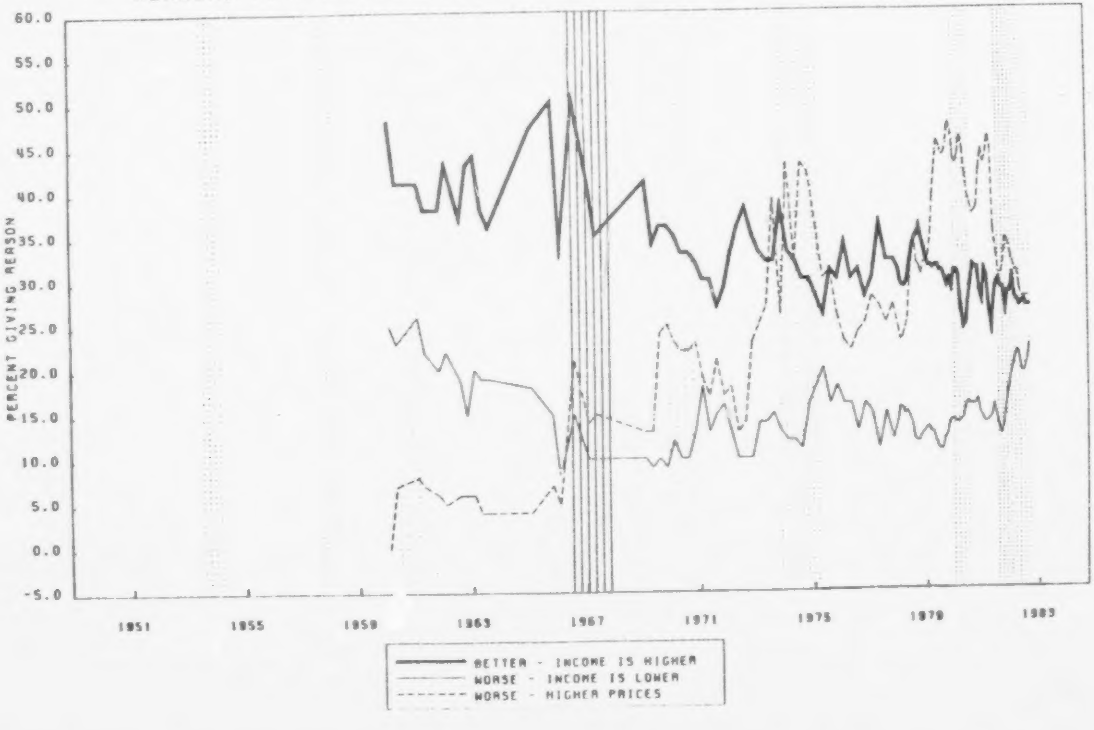


CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION



## TABLE 5

## SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 26% | 28% | 25% | 32% | 28% | 29% | 26% | 27% | 27% | 27% | 28% | 25% | 27% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 13 | 16 | 17 | 18 | 21 | 20 | 22 | 23 | 17 | 18 | 23 | 20 | 24 |
| Higher prices | 34 | 33 | 36 | 33 | 29 | 33 | 30 | 29 | 27 | 27 | 29 | 27 | 27 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

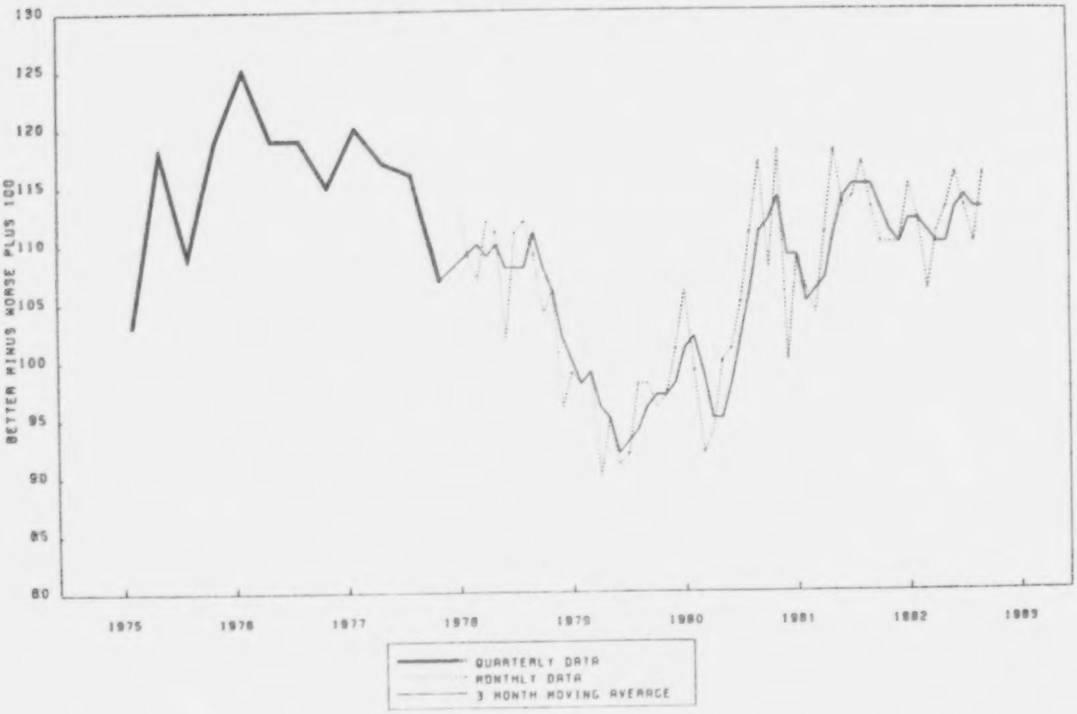
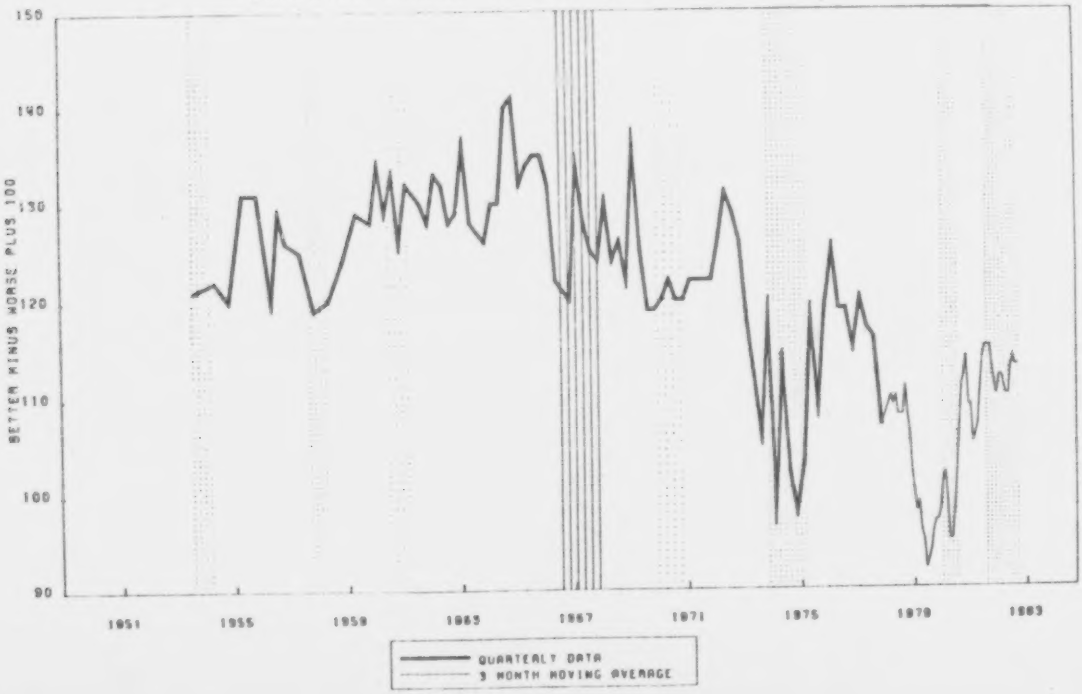


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION



## TABLE 6

## EXPECTED CHANGE IN FINANCIAL SITUATION

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER OFF | 31% | 29% | 30% | 30% | 33% | 30% | 27% | 31% | 30% | 34% | 30% | 30% | 33% |
| SAME | 45 | 49 | 46 | 48 | 46 | 47 | 48 | 45 | 49 | 45 | 49 | 46 | 48 |
| WORSE OFF | 18 | 19 | 20 | 20 | 18 | 18 | 21 | 20 | 17 | 18 | 17 | 20 | 17 |
| DK,NA | 6 | 3 | 4 | 2 | 3 | 5 | 4 | 4 | 4 | 3 | 4 | 4 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

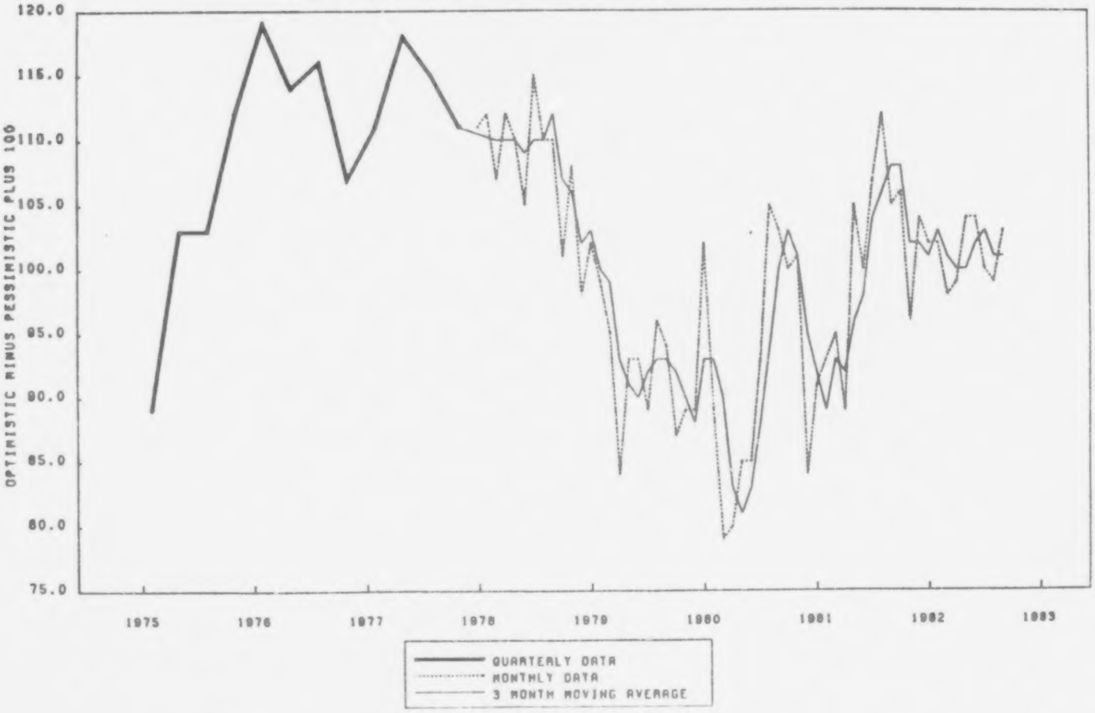
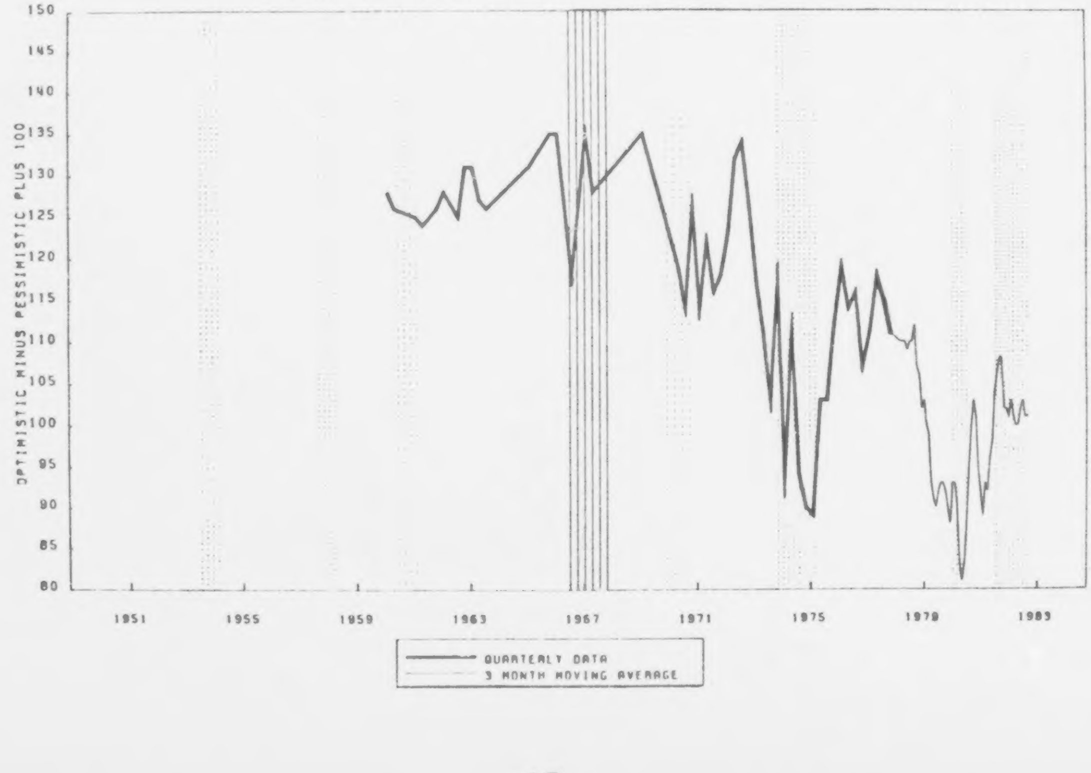


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION



## TABLE 7

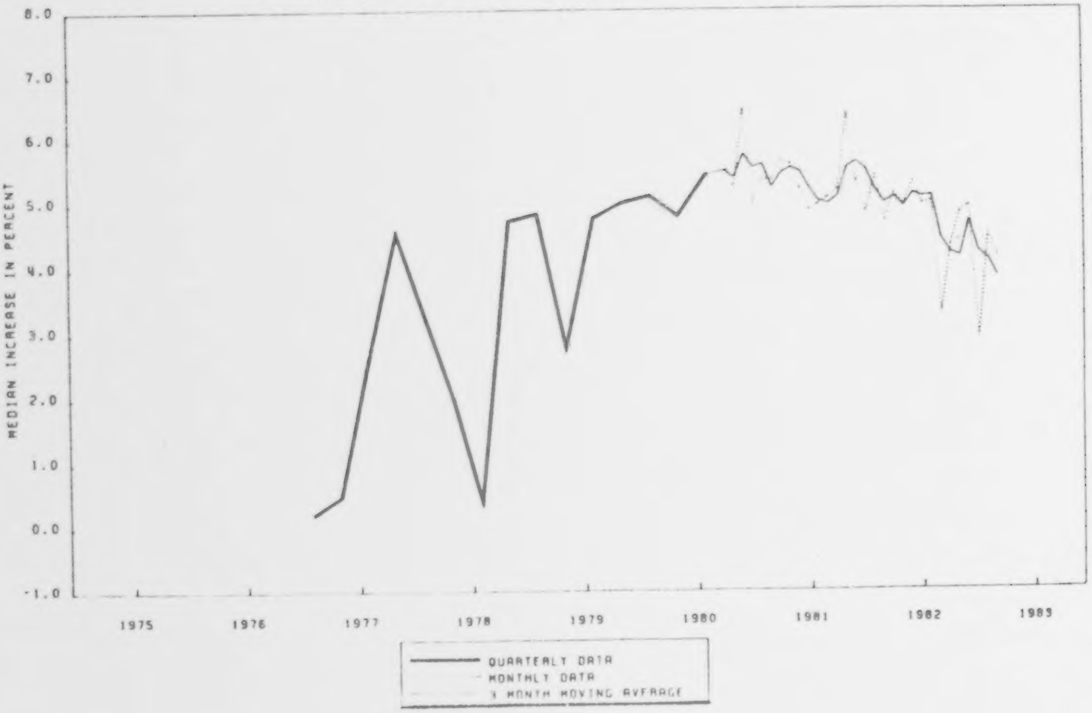
## TREND IN PERSONAL FINANCIAL SITUATION

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 16% | 13% | 13% | 13% | 15% | 15% | 11% | 12% | 14% | 14% | 15% | 15% | 15% |
| Intermittent increase (b) | 19 | 21 | 19 | 25 | 21 | 19 | 22 | 20 | 23 | 22 | 19 | 18 | 21 |
| Remain unchanged (c) | 17 | 21 | 14 | 14 | 15 | 18 | 14 | 17 | 17 | 16 | 17 | 18 | 16 |
| Intermittent decline (d) | 19 | 15 | 23 | 22 | 23 | 20 | 22 | 21 | 22 | 23 | 23 | 21 | 22 |
| Continuous decline (e) | 11 | 13 | 13 | 12 | 11 | 12 | 13 | 12 | 11 | 9 | 11 | 13 | 11 |
| Mixed change (f) | 12 | 14 | 14 | 11 | 12 | 11 | 14 | 14 | 9 | 13 | 11 | 11 | 12 |
| DK,NA | 6 | 3 | 4 | 3 | 3 | 5 | 4 | 4 | 4 | 3 | 4 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME



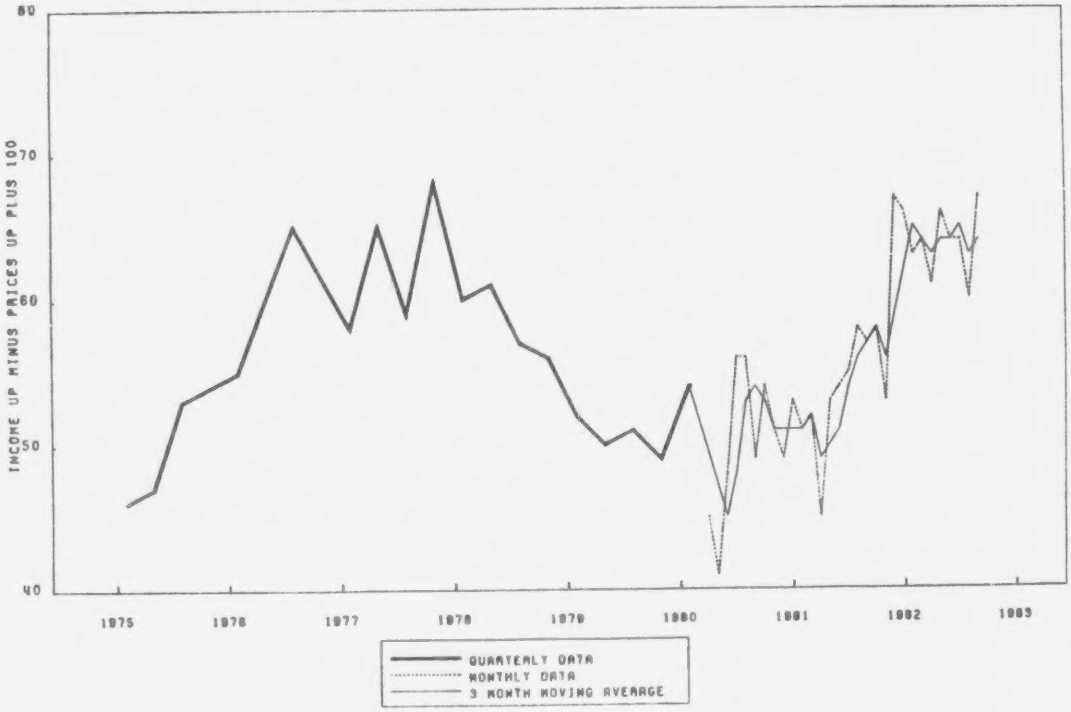
## TABLE 8

## EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 6% | 6% | 5% | 5% | 7% | 5% | 5% | 7% | 5% | 6% | 9% | 8% | 6% |
| 5% | 9 | 10 | 9 | 9 | 10 | 9 | 8 | 10 | 9 | 11 | 8 | 7 | 9 |
| 6-9% | 10 | 13 | 8 | 10 | 11 | 12 | 9 | 8 | 11 | 13 | 10 | 12 | 9 |
| 10-24% | 23 | 21 | 23 | 24 | 22 | 22 | 19 | 19 | 20 | 20 | 17 | 18 | 21 |
| 25% or more | 6 | 6 | 8 | 8 | 7 | 6 | 7 | 7 | 8 | 7 | 6 | 7 | 7 |
| DK how much up | 6 | 6 | 4 | 6 | 4 | 6 | 6 | 6 | 7 | 4 | 6 | 6 | 4 |
| EXPECT SAME | 27 | 24 | 25 | 21 | 23 | 25 | 25 | 24 | 24 | 21 | 27 | 24 | 30 |
| EXPECT DOWN | 12 | 12 | 15 | 15 | 14 | 13 | 18 | 18 | 15 | 17 | 16 | 15 | 13 |
| DK,NA | 1 | 2 | 3 | 2 | 2 | 2 | 3 | 1 | 1 | 1 | 1 | 3 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR



## TABLE 9

## PAST CHANGE IN REAL FAMILY INCOME

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 13% | 13% | 12% | 17% | 17% | 16% | 16% | 14% | 18% | 16% | 17% | 14% | 17% |
| INCOME UP SAME | 31 | 30 | 27 | 32 | 30 | 30 | 31 | 32 | 29 | 31 | 29 | 30 | 32 |
| PRICES UP MORE | 56 | 55 | 59 | 50 | 51 | 53 | 52 | 53 | 52 | 52 | 53 | 54 | 50 |
| DK,NA | * | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

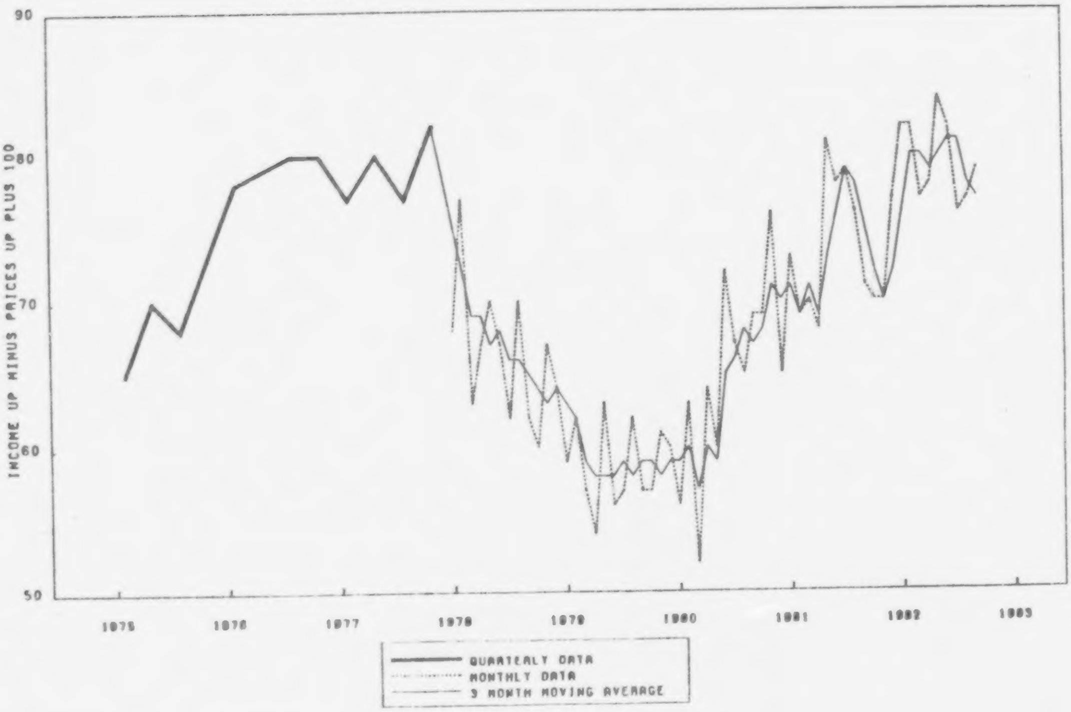


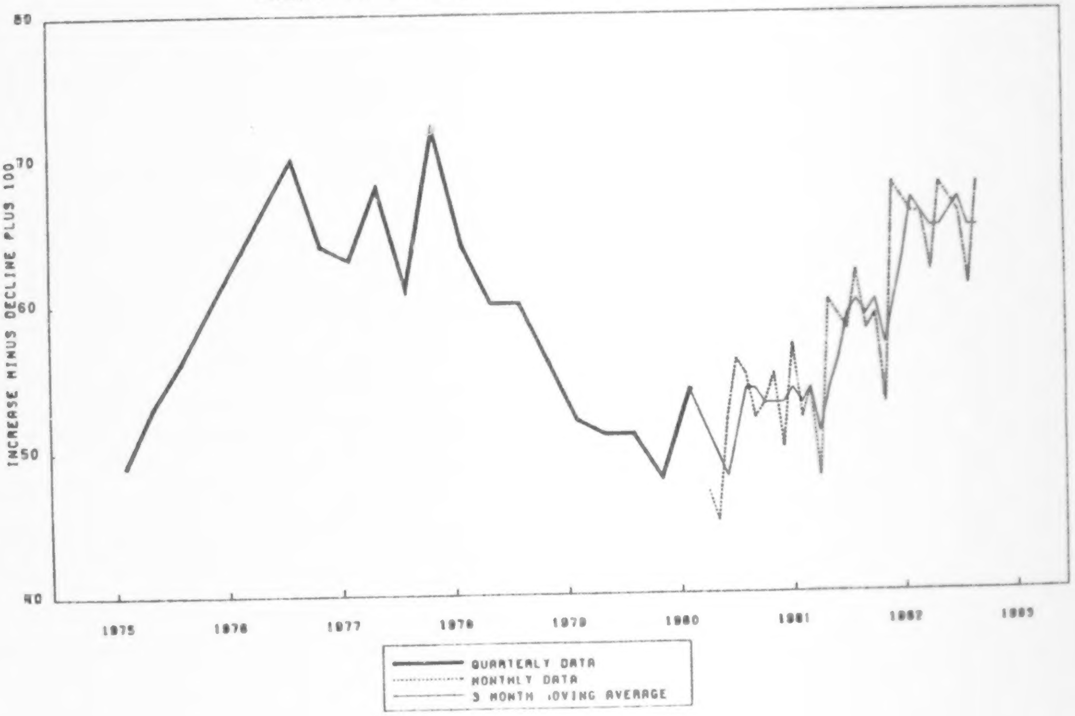
TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME UP MORE | 13% | 14% | 13% | 17% | 17% | 20% | 16% | 17% | 19% | 18% | 16% | 17% | 20% |
| INCOME UP SAME | 42 | 40 | 41 | 41 | 45 | 40 | 41 | 42 | 43 | 43 | 41 | 40 | 37 |
| PRICES UP MORE | 42 | 44 | 43 | 40 | 35 | 38 | 39 | 39 | 35 | 36 | 40 | 40 | 41 |
| DK,NA | 3 | 2 | 3 | 2 | 3 | 2 | 4 | 2 | 3 | 3 | 3 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON



## TABLE 11

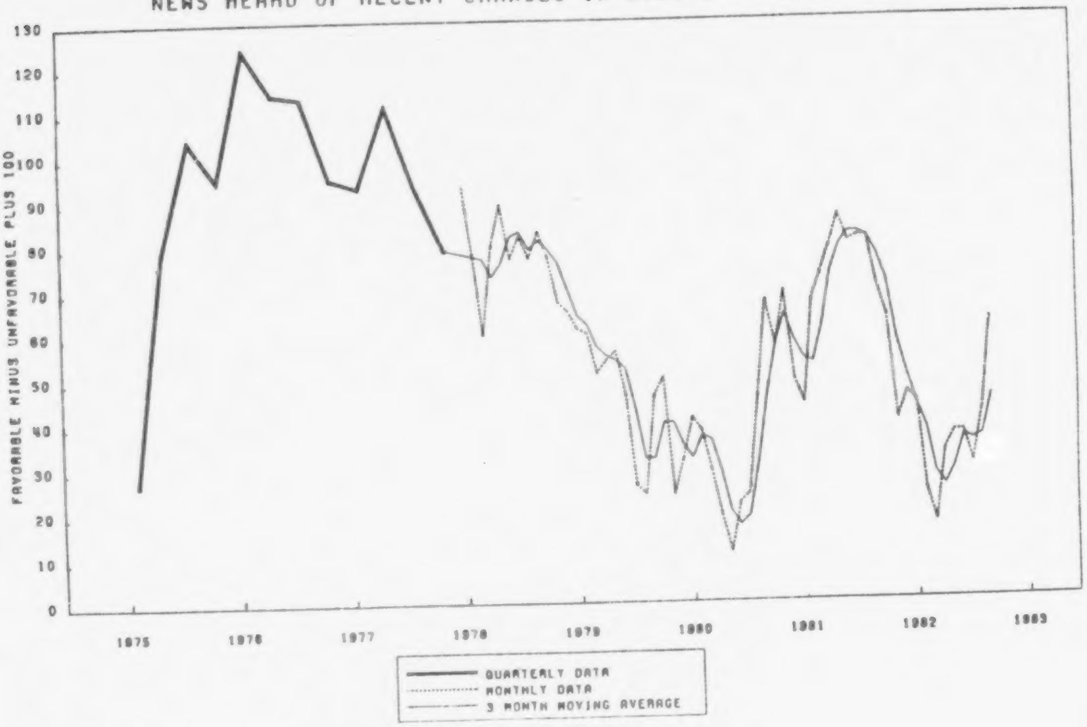
## TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 5% | 5% | 5% | 8% | 9% | 9% | 7% | 8% | 10% | 8% | 8% | 8% | 9% |
| Intermittent increase (b) | 11 | 10 | 8 | 12 | 11 | 9 | 10 | 9 | 8 | 11 | 11 | 8 | 12 |
| Remain unchanged (c) | 19 | 18 | 17 | 19 | 19 | 20 | 20 | 19 | 20 | 19 | 19 | 19 | 18 |
| Intermittent decline (d) | 24 | 21 | 26 | 22 | 25 | 22 | 21 | 25 | 24 | 24 | 21 | 23 | 21 |
| Continuous decline (e) | 34 | 35 | 34 | 30 | 28 | 30 | 30 | 30 | 26 | 28 | 32 | 32 | 32 |
| Mixed change (f) | 4 | 8 | 6 | 6 | 5 | 8 | 8 | 6 | 9 | 7 | 5 | 6 | 5 |
| DK,NA | 3 | 3 | 4 | 3 | 3 | 2 | 4 | 3 | 3 | 3 | 4 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

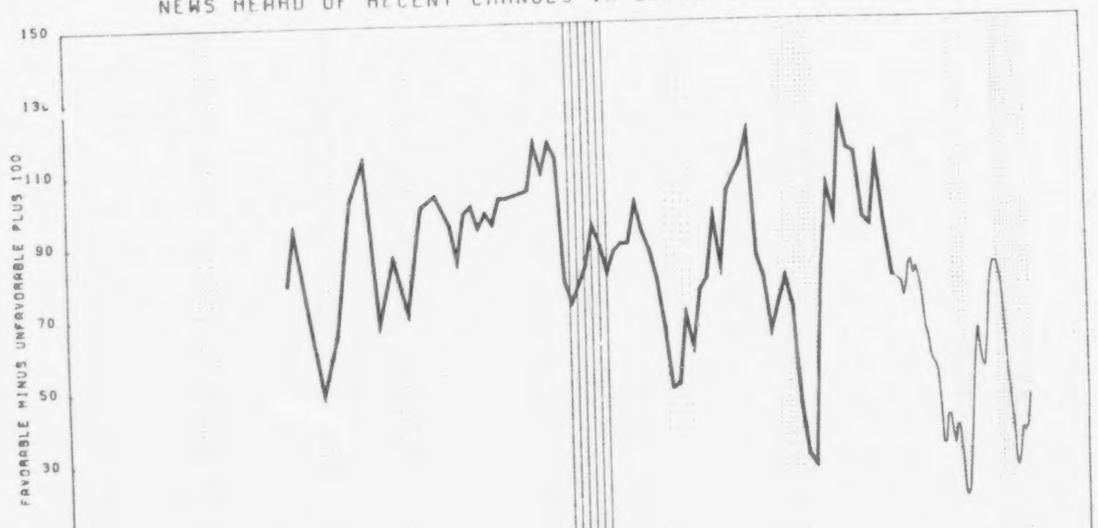
Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

## CHART 12 - RECENT CHANGES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## CHART 12 - HISTORICAL SERIES
## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 12

## NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS | 24% | 22% | 14% | 23% | 23% | 20% | 18% | 23% | 23% | 24% | 20% | 28% | 40% |
| UNFAVORABLE NEWS | 55 | 59 | 74 | 77 | 79 | 96 | 101 | 90 | 86 | 87 | 90 | 86 | 78 |
| NO MENTIONS | 47 | 45 | 43 | 37 | 33 | 29 | 26 | 29 | 31 | 31 | 31 | 26 | 26 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT RECENT CHANGES IN BUSINESS CONDITIONS

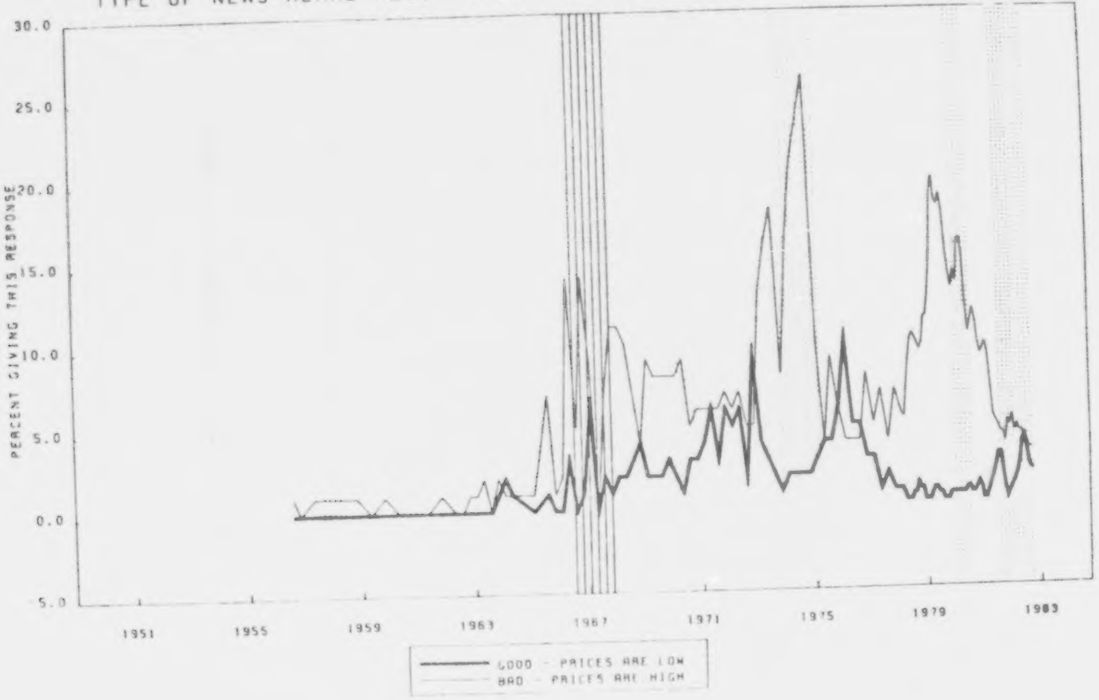
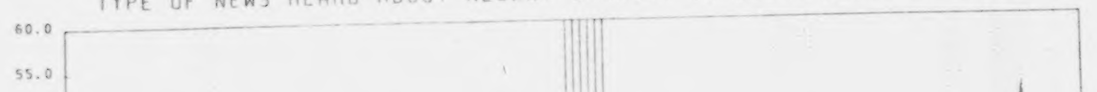


CHART 13B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT RECENT CHANGES IN BUSINESS CONDITIONS



## TABLE 13

## SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 8% | 5% | 3% | 4% | 4% | 3% | 4% | 2% | 2% | 2% | 2% | 1% | 3% |
| Employment | 6 | 4 | 2 | 4 | 5 | 5 | 4 | 4 | 6 | 6 | 5 | 7 | 6 |
| Consumer demand high | 1 | 1 | 1 | 1 | 1 | * | * | 2 | 2 | 3 | 2 | 3 | 1 |
| Prices are low | * | 1 | * | 1 | 2 | 1 | 2 | 4 | 5 | 3 | 2 | 2 | 2 |
| Credit is easy | 2 | 3 | 4 | 10 | 6 | 5 | 3 | 5 | 3 | 2 | 3 | 9 | 17 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 5 | 5 | 3 | 4 | 5 | 6 | 7 | 5 | 4 | 4 | 4 | 4 | 4 |
| Unemployment | 19 | 20 | 28 | 32 | 35 | 40 | 46 | 41 | 45 | 44 | 52 | 53 | 52 |
| Consumer demand low | 3 | 6 | 10 | 11 | 11 | 14 | 12 | 11 | 8 | 9 | 8 | 6 | 5 |
| Prices are high | 5 | 3 | 7 | 4 | 5 | 4 | 5 | 4 | 4 | 4 | 3 | 3 | 4 |
| Credit is tight | 10 | 10 | 11 | 8 | 6 | 8 | 10 | 10 | 6 | 8 | 9 | 6 | 3 |
| Energy crisis | 1 | * | * | * | * | * | * | * | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

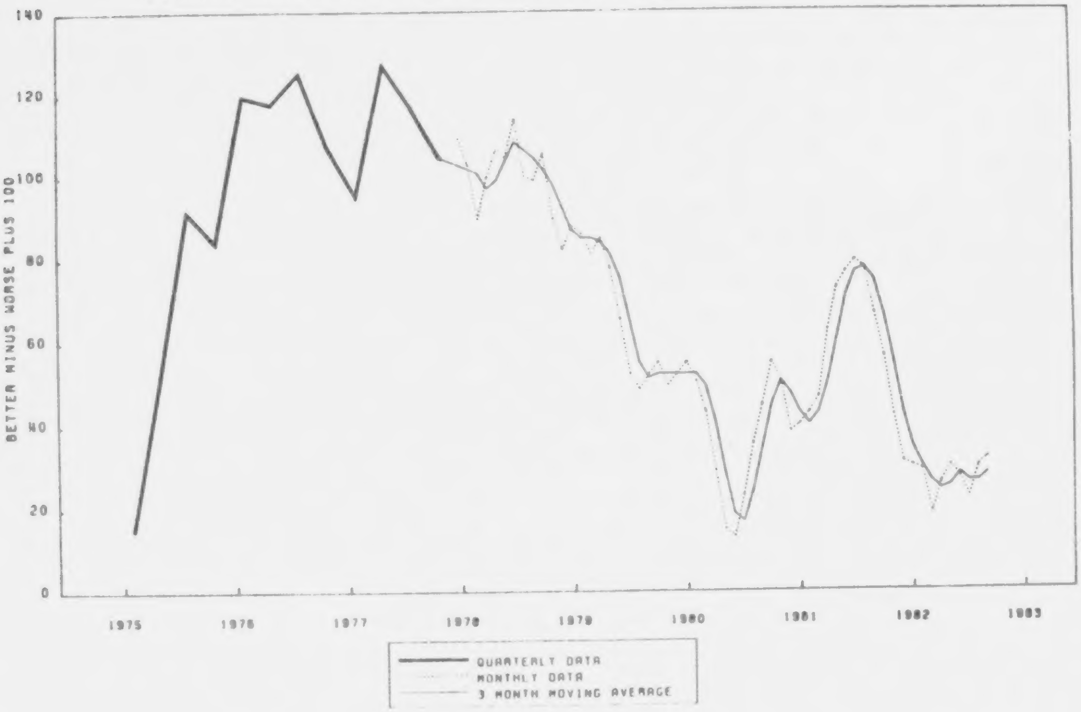
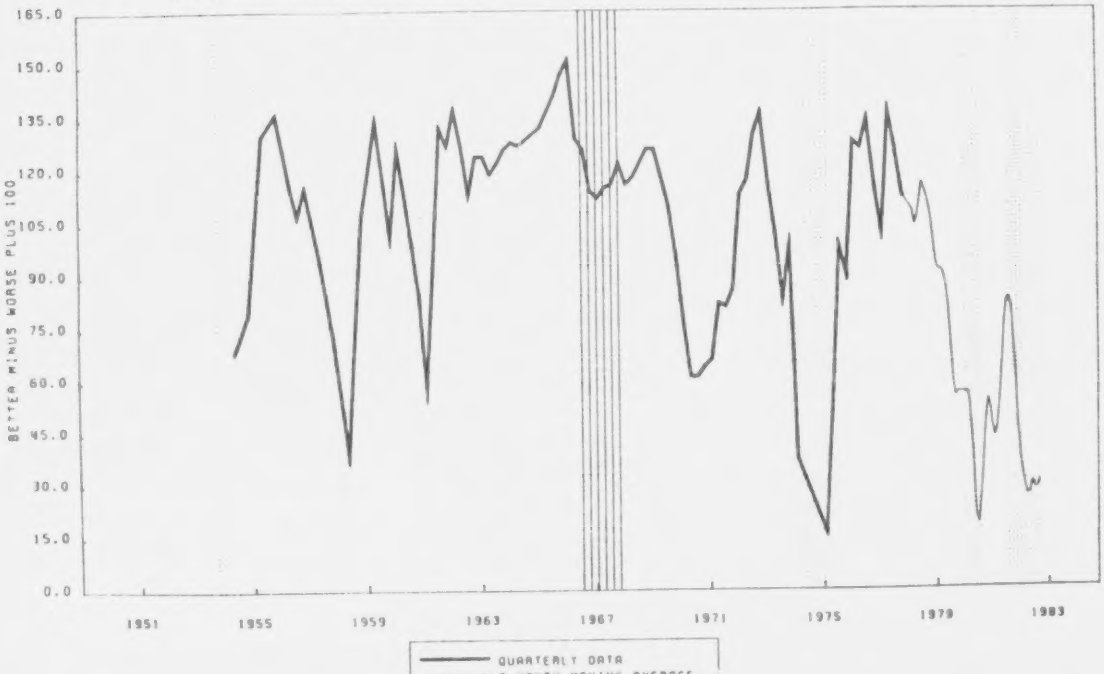


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



## TABLE 14

## CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER NOW | 28% | 23% | 15% | 13% | 11% | 11% | 7% | 9% | 12% | 11% | 7% | 12% | 13% |
| SAME | 12 | 12 | 12 | 6 | 8 | 8 | 5 | 9 | 6 | 6 | 8 | 6 | 8 |
| WORSE NOW | 57 | 63 | 70 | 80 | 79 | 80 | 87 | 81 | 80 | 82 | 83 | 80 | 79 |
| DK,NA | 3 | 2 | 3 | 1 | 2 | 1 | 1 | 1 | 2 | 1 | 2 | 2 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

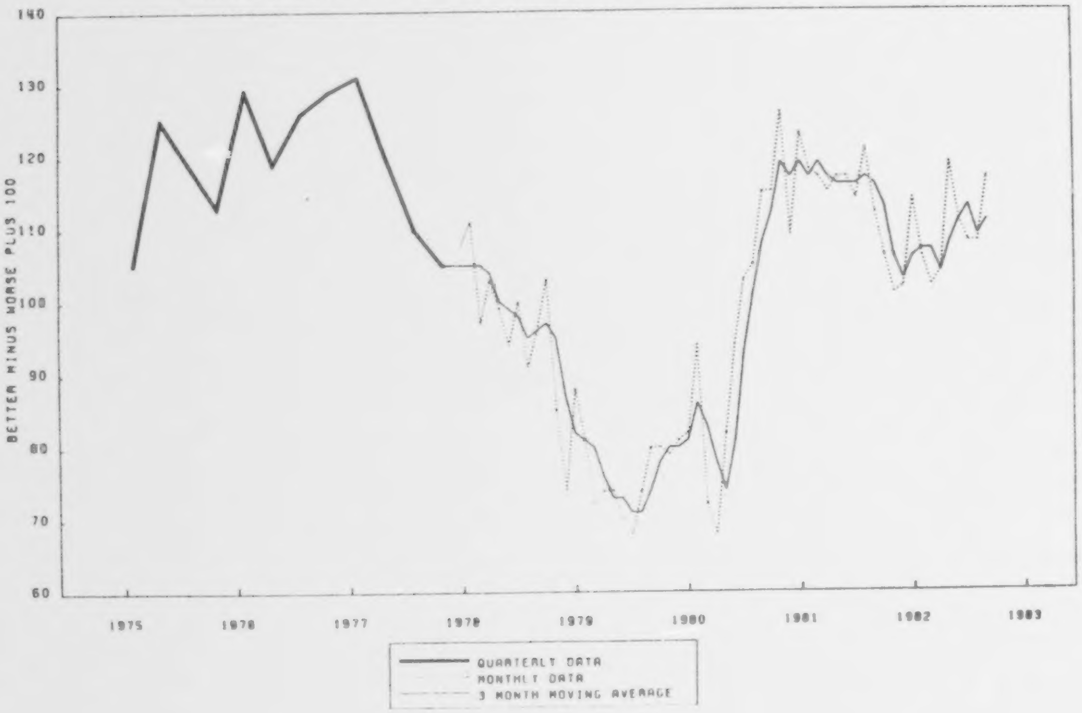
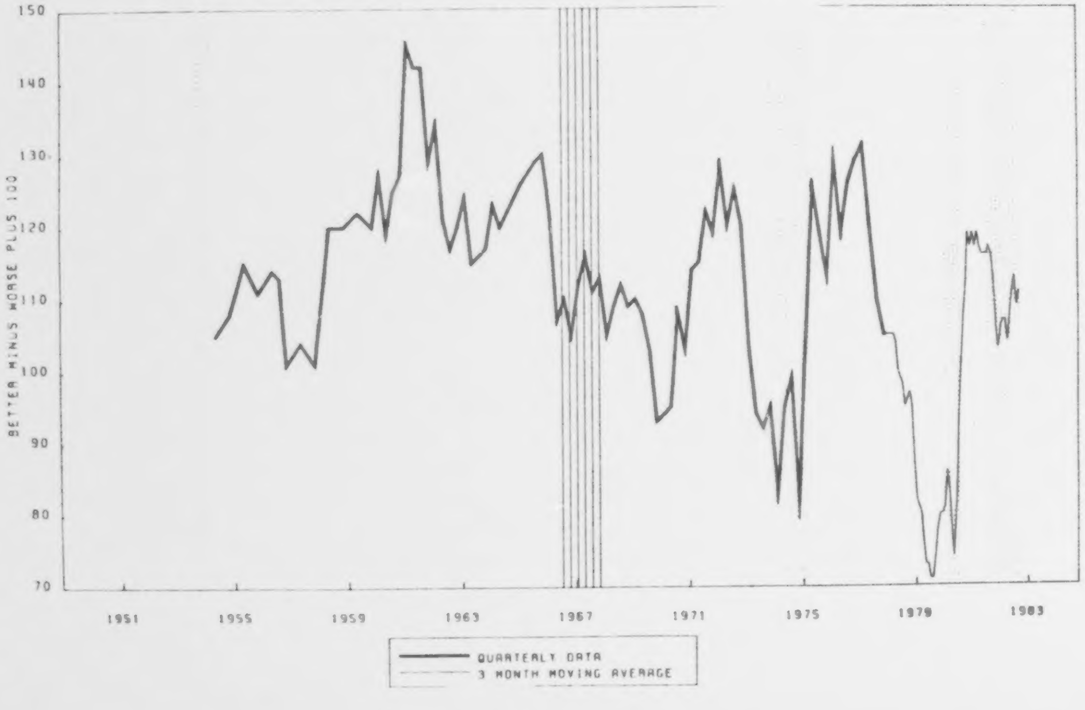


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



## TABLE 15

## EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER | 32% | 31% | 27% | 31% | 38% | 34% | 29% | 32% | 39% | 37% | 33% | 31% | 36% |
| SAME | 45 | 41 | 44 | 37 | 36 | 36 | 42 | 38 | 39 | 34 | 41 | 43 | 43 |
| WORSE | 19 | 25 | 26 | 29 | 24 | 28 | 27 | 28 | 20 | 26 | 25 | 23 | 19 |
| DK,NA | 4 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 3 | 1 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART16A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

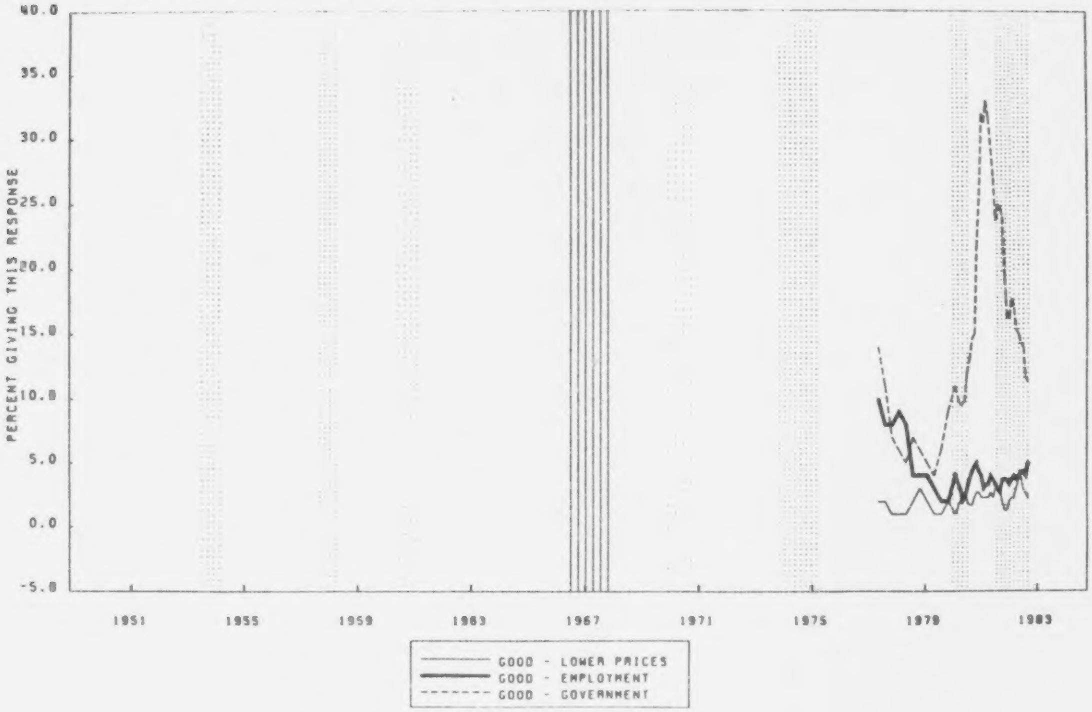
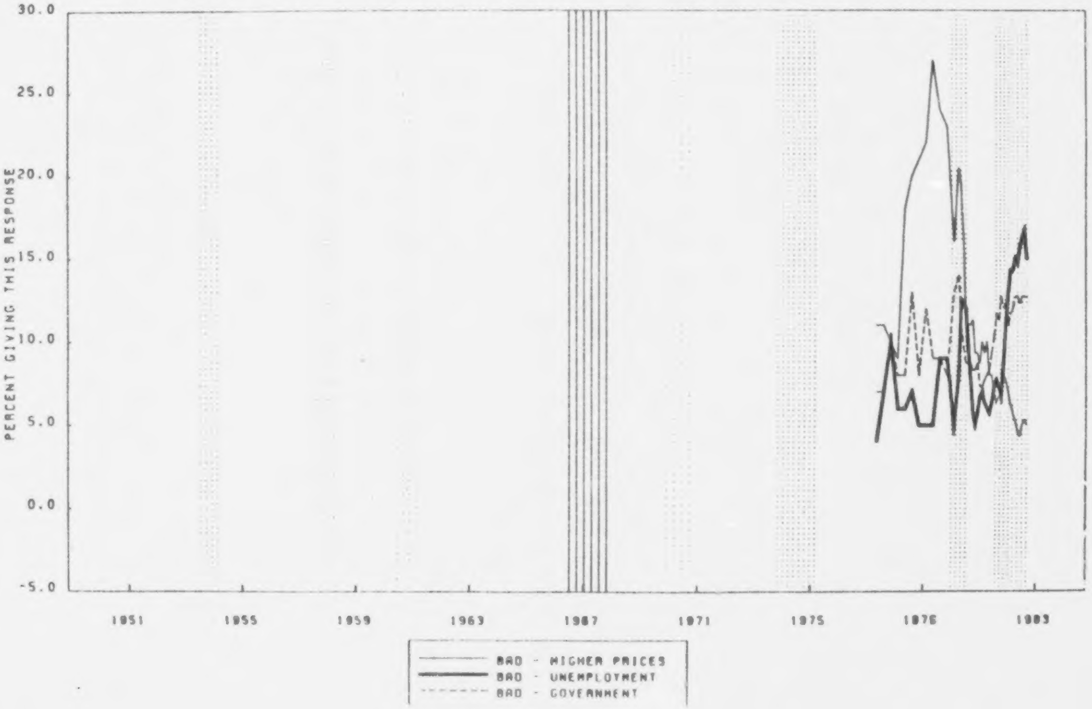


CHART16B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR



## TABLE 16

## REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 24% | 19% | 15% | 15% | 19% | 19% | 13% | 14% | 18% | 11% | 13% | 11% | 11% |
| Employment | 2 | 6 | 3 | 2 | 5 | 4 | 3 | 4 | 5 | 4 | 4 | 4 | 7 |
| Higher consumer demand | 4 | 2 | 2 | 3 | 3 | 2 | 3 | 3 | 4 | 6 | 3 | 3 | 3 |
| Lower prices | 2 | 1 | 1 | 2 | 3 | 2 | 2 | 5 | 4 | 3 | 2 | 2 | 3 |
| Easier credit | 4 | 6 | 7 | 9 | 5 | 5 | 7 | 7 | 10 | 9 | 5 | 8 | 13 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 11 | 15 | 10 | 12 | 11 | 12 | 13 | 13 | 12 | 12 | 14 | 12 | 12 |
| Unemployment | 7 | 7 | 12 | 15 | 12 | 16 | 15 | 14 | 15 | 18 | 16 | 16 | 13 |
| Lower consumer demand | 6 | 4 | 6 | 7 | 6 | 7 | 9 | 7 | 4 | 6 | 5 | 3 | 5 |
| Higher prices | 9 | 7 | 8 | 8 | 5 | 6 | 6 | 4 | 4 | 5 | 6 | 5 | 4 |
| Tighter credit | 8 | 5 | 5 | 4 | 4 | 7 | 7 | 5 | 6 | 10 | 9 | 6 | 7 |
| Energy crisis | * | 1 | * | * | * | * | * | * | * | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

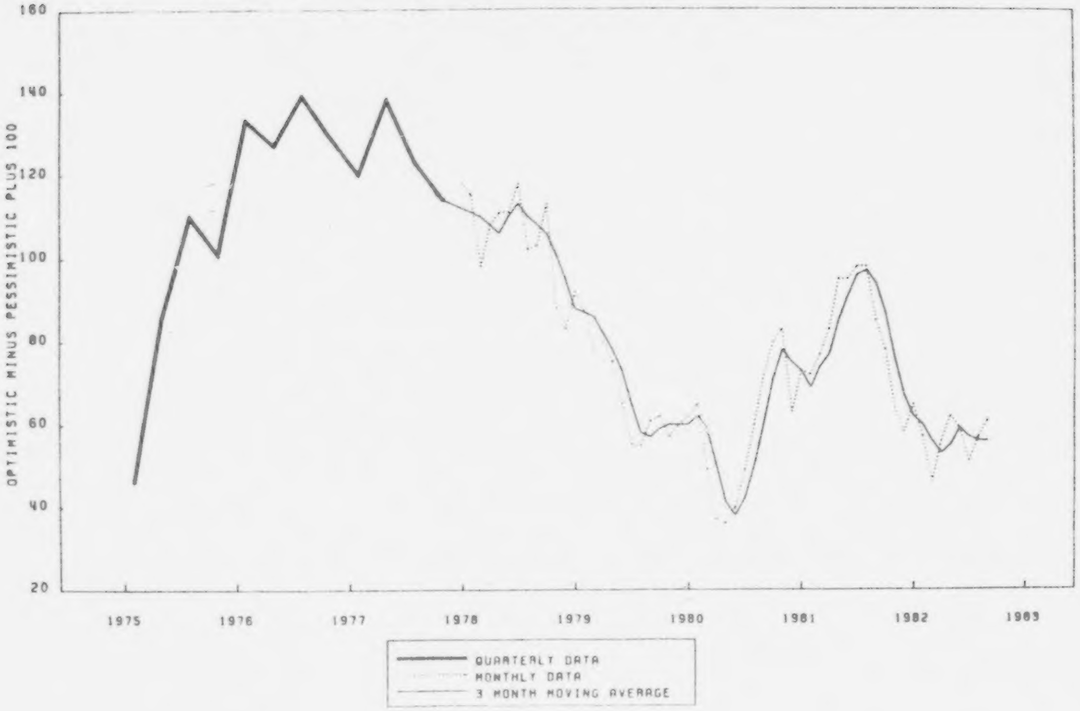
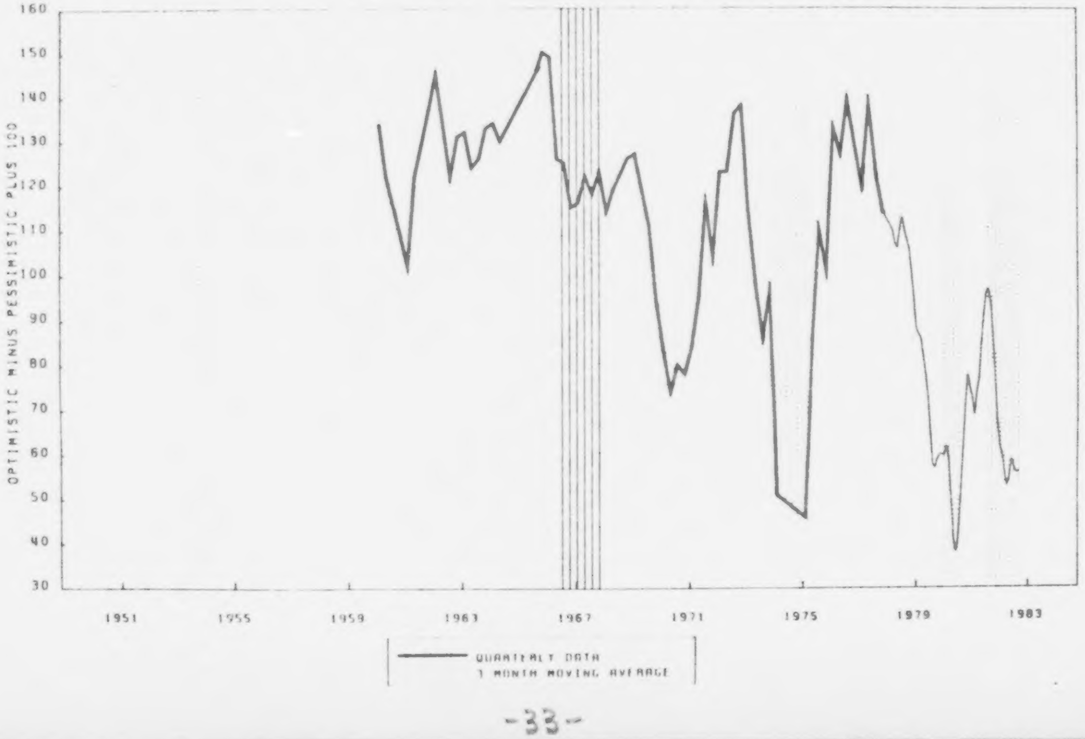


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



## TABLE 17

## TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 14% | 12% | 6% | 5% | 6% | 6% | 4% | 5% | 8% | 6% | 5% | 7% | 8% |
| Intermittent increase (b) | 16 | 14 | 11 | 8 | 9 | 6 | 5 | 7 | 6 | 6 | 5 | 7 | 6 |
| Remain unchanged (c) | 6 | 4 | 6 | 3 | 3 | 4 | 2 | 4 | 3 | 2 | 3 | 3 | 4 |
| Intermittent decline (d) | 29 | 27 | 31 | 29 | 27 | 30 | 37 | 30 | 33 | 29 | 36 | 35 | 36 |
| Continuous decline (e) | 16 | 21 | 22 | 26 | 23 | 25 | 26 | 26 | 19 | 24 | 23 | 22 | 17 |
| Mixed change (f) | 14 | 17 | 18 | 25 | 29 | 26 | 23 | 24 | 28 | 30 | 25 | 22 | 27 |
| DK,NA | 5 | 5 | 6 | 4 | 3 | 3 | 3 | 4 | 3 | 3 | 3 | 4 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

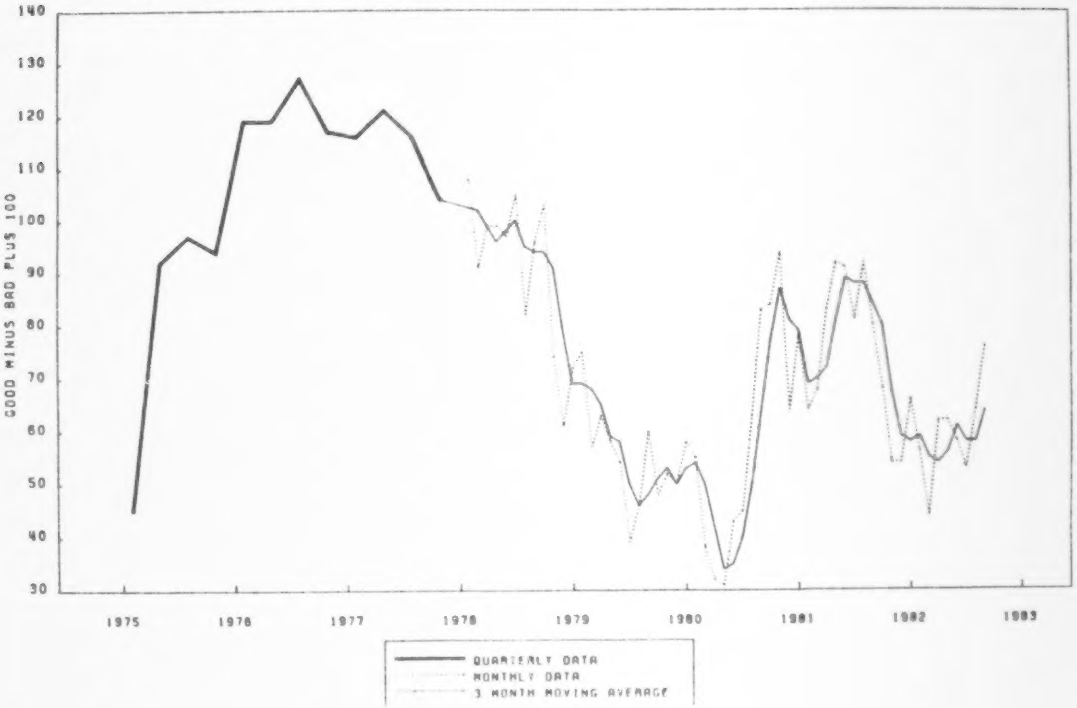
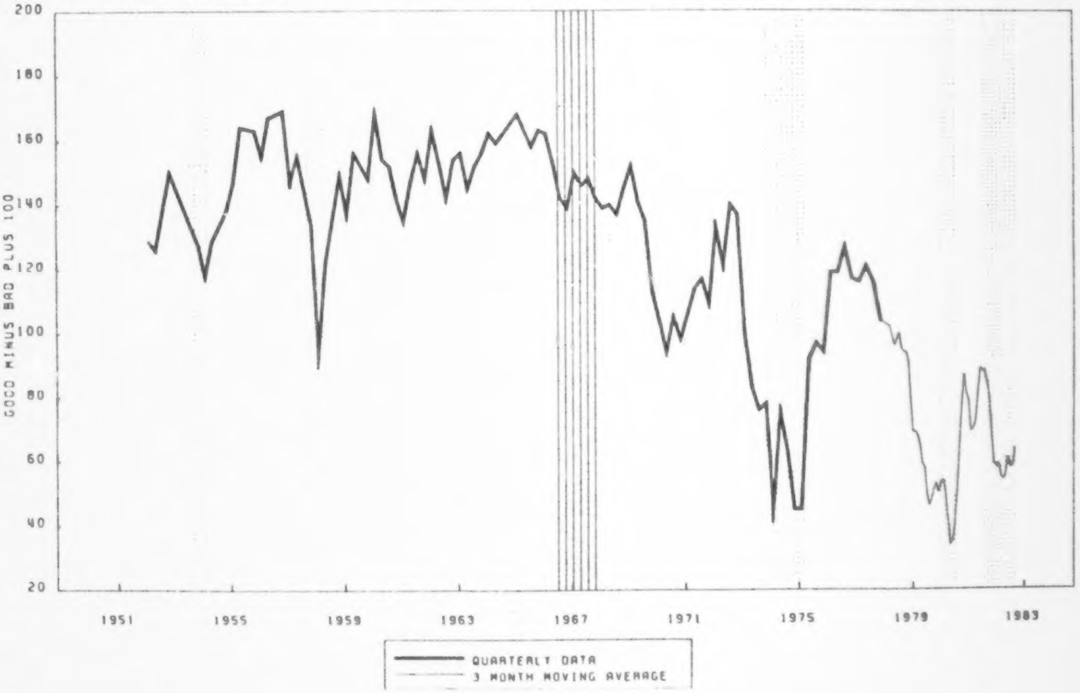


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



# TABLE 18

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 33% | 25% | 21% | 23% | 30% | 23% | 17% | 28% | 27% | 25% | 23% | 26% | 33% |
| UNCERTAIN; GOOD & BAD | 3 | 3 | 4 | 2 | 1 | 2 | 2 | 1 | 1 | 1 | 2 | 5 | 4 |
| BAD TIMES | 53 | 57 | 67 | 69 | 64 | 67 | 73 | 66 | 65 | 67 | 70 | 62 | 57 |
| DON'T KNOW | 6 | 8 | 6 | 4 | 3 | 4 | 3 | 4 | 4 | 4 | 3 | 3 | 4 |
| NOT ASCERTAINED | 5 | 7 | 2 | 2 | 2 | 4 | 5 | 1 | 3 | 3 | 2 | 4 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

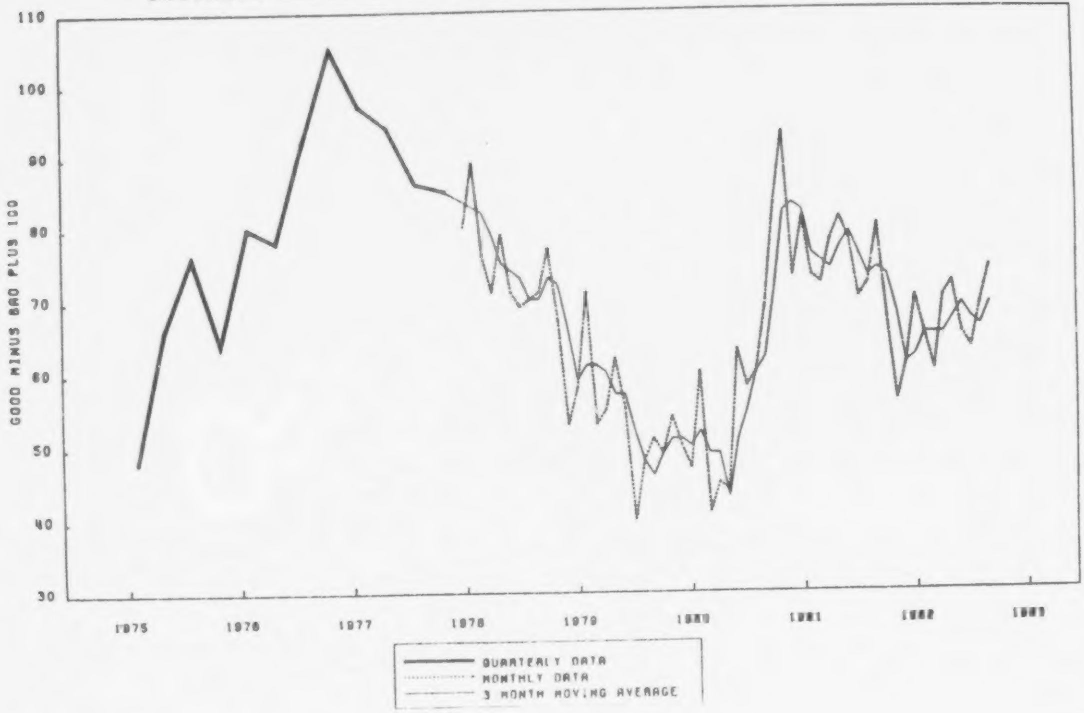
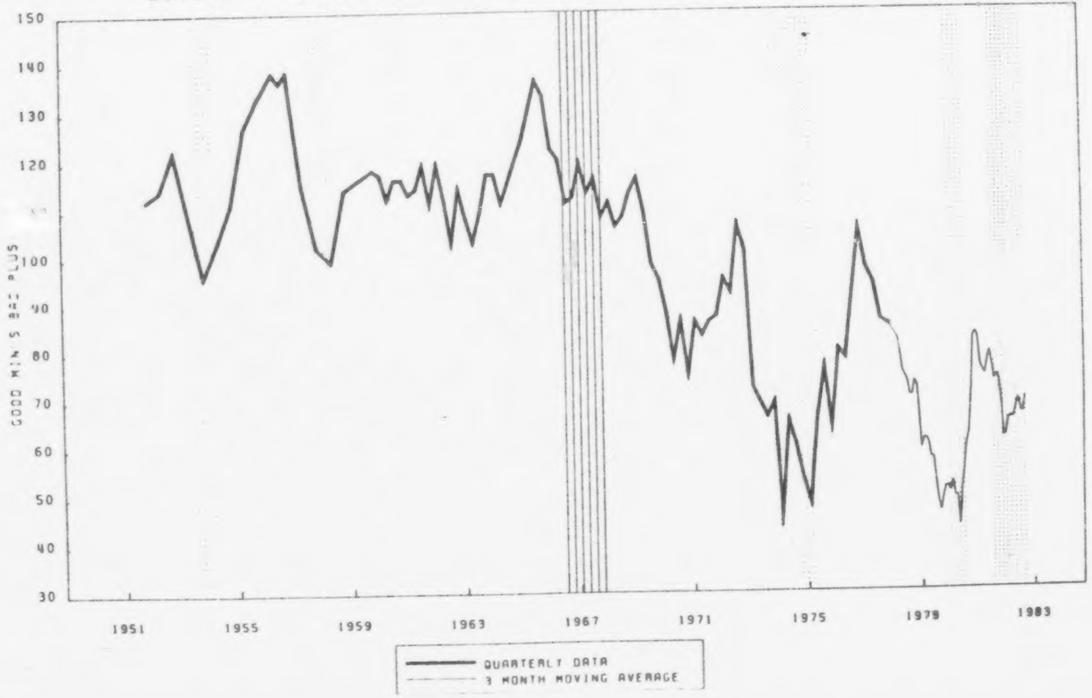


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



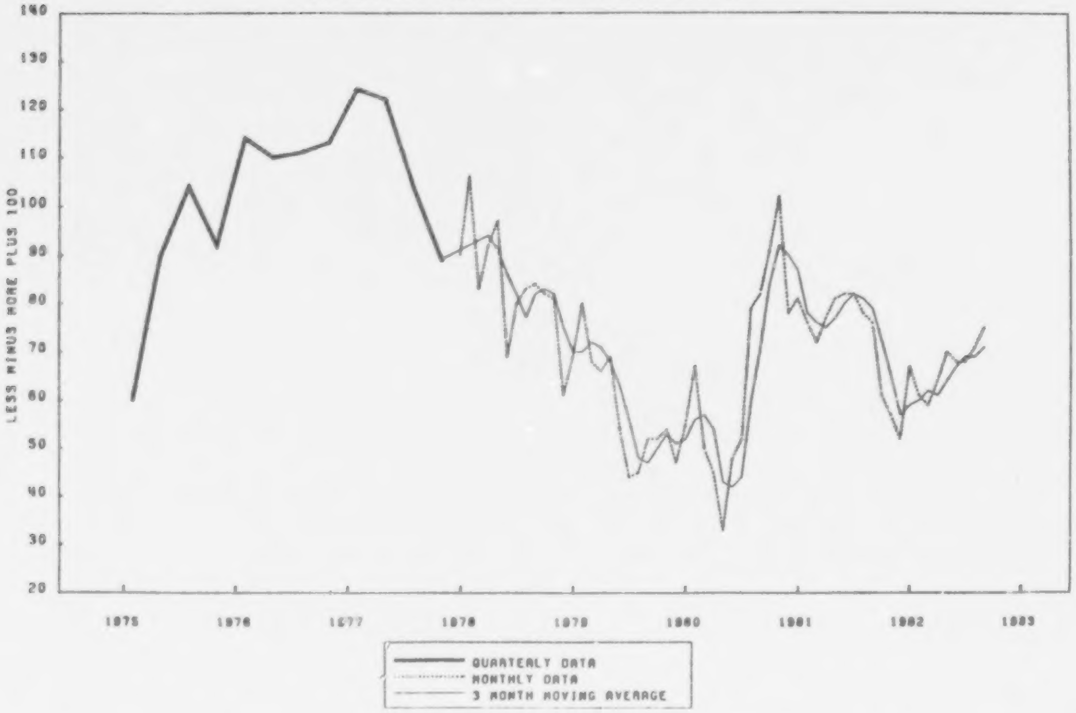
## TABLE 19

## BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

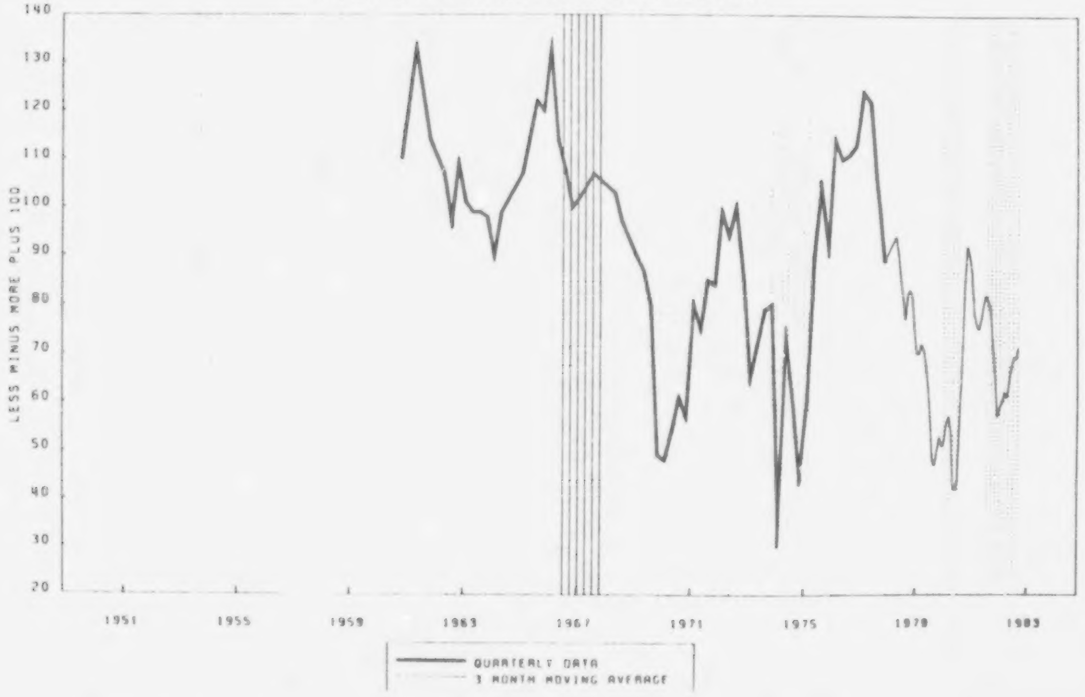
| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIMES | 30% | 24% | 18% | 20% | 28% | 24% | 22% | 25% | 27% | 24% | 22% | 23% | 28% |
| UNCERTAIN; GOOD & BAD | 16 | 14 | 17 | 17 | 11 | 13 | 13 | 13 | 13 | 12 | 15 | 15 | 14 |
| BAD TIMES | 50 | 57 | 62 | 59 | 58 | 59 | 62 | 55 | 55 | 59 | 59 | 54 | 54 |
| NOT ASCERTAINED | 4 | 5 | 3 | 4 | 3 | 4 | 3 | 7 | 5 | 5 | 4 | 8 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

## CHART 20 - RECENT CHANGES
## EXPECTED CHANGE IN UNEMPLOYMENT



## CHART 20 - HISTORICAL SERIES
## EXPECTED CHANGE IN UNEMPLOYMENT



## TABLE 20

## EXPECTED CHANGE IN UNEMPLOYMENT

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LESS | 15% | 11% | 11% | 11% | 16% | 13% | 13% | 14% | 17% | 16% | 16% | 17% | 18% |
| SAME | 45 | 38 | 33 | 28 | 34 | 33 | 32 | 34 | 35 | 35 | 35 | 35 | 38 |
| MORE | 39 | 50 | 54 | 59 | 49 | 52 | 54 | 50 | 47 | 48 | 48 | 46 | 43 |
| DK,NA | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

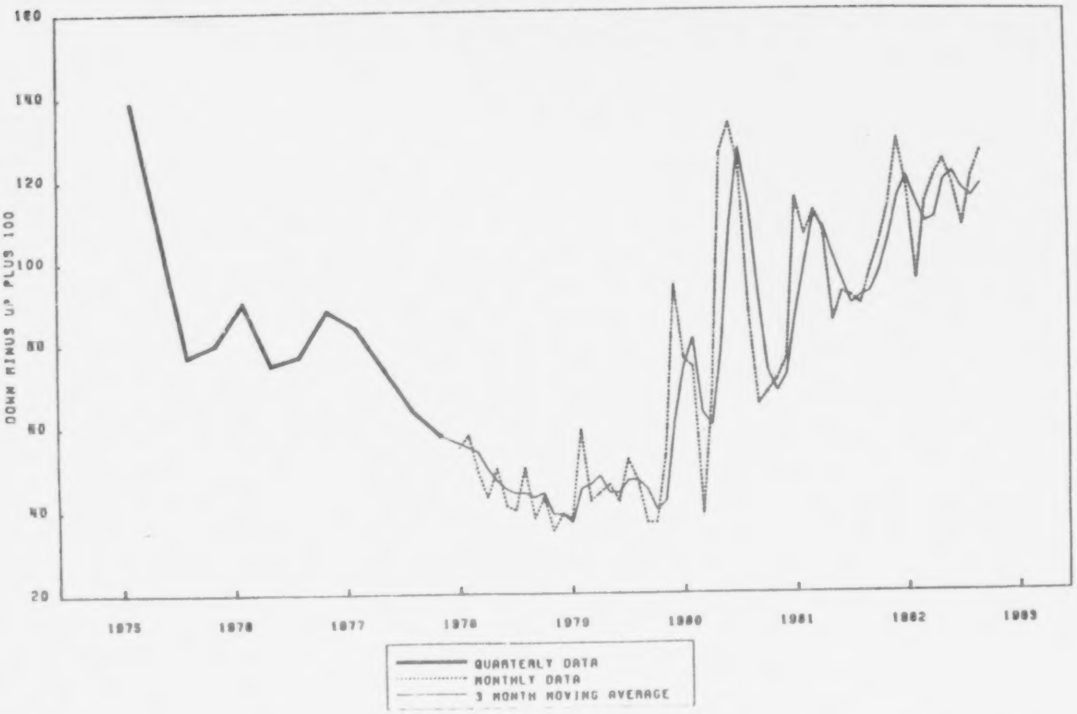


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

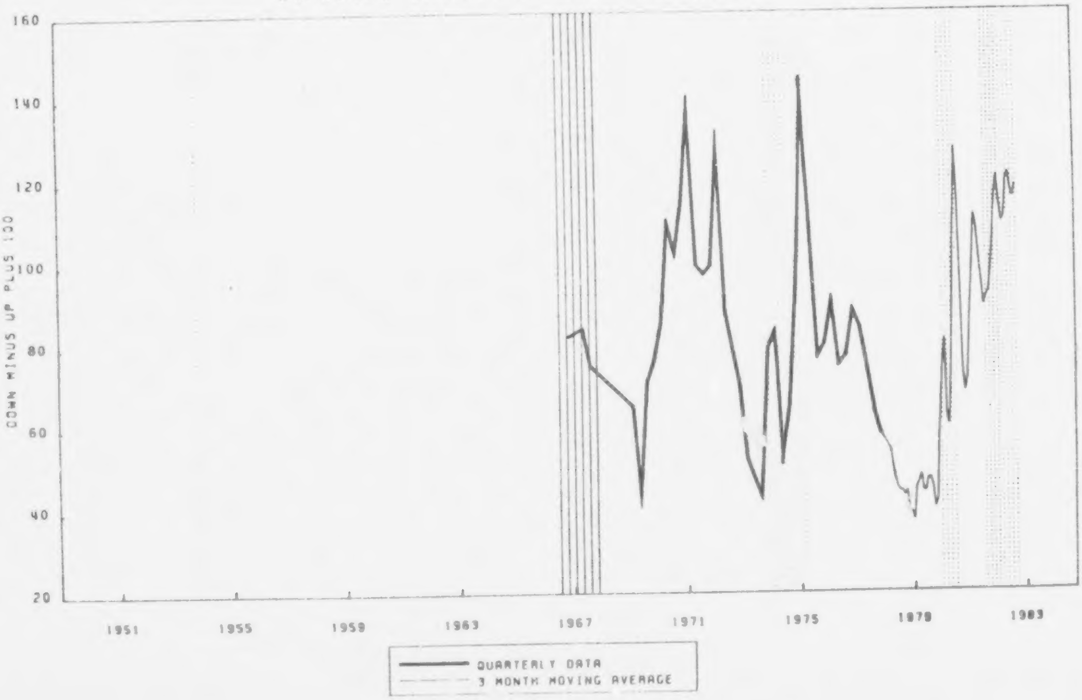


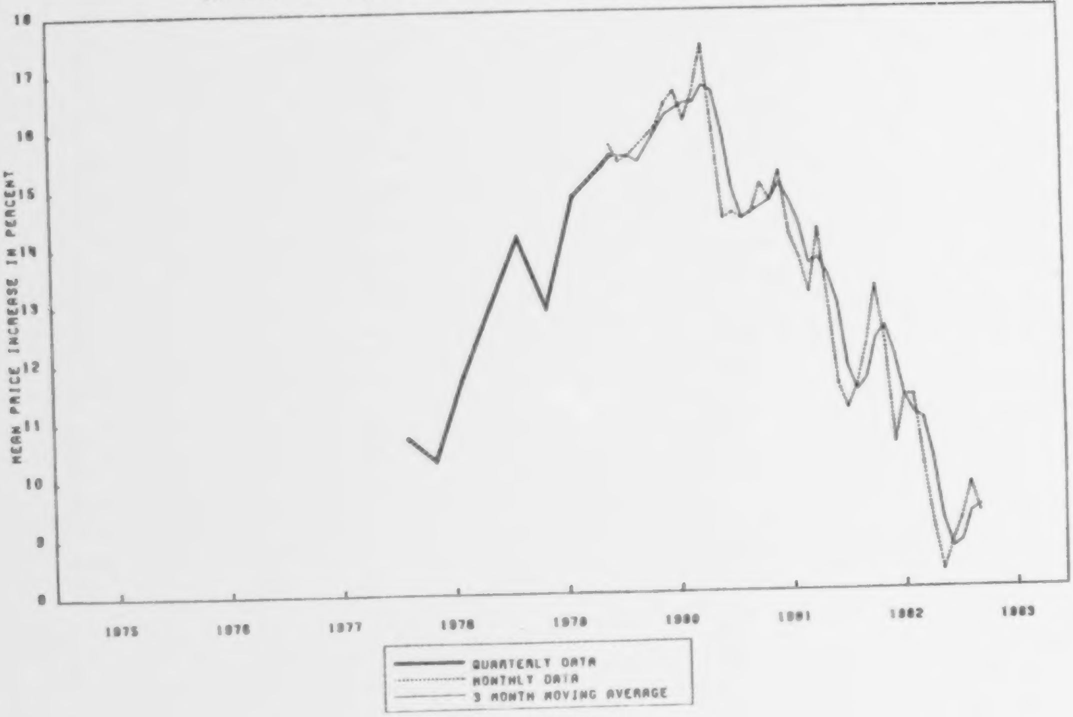
TABLE 21

EXPECTED CHANGE IN INTEREST RATES

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GO UP | 33% | 31% | 29% | 21% | 25% | 34% | 25% | 22% | 19% | 21% | 24% | 21% | 22% |
| STAY THE SAME | 33 | 30 | 25 | 25 | 28 | 33 | 33 | 33 | 34 | 37 | 41 | 34 | 26 |
| GO DOWN | 30 | 35 | 42 | 50 | 43 | 29 | 39 | 42 | 43 | 39 | 32 | 41 | 48 |
| DK,NA | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 3 | 3 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES
CHANGE IN PRICES DURING THE LAST 12 MONTHS



## TABLE 22

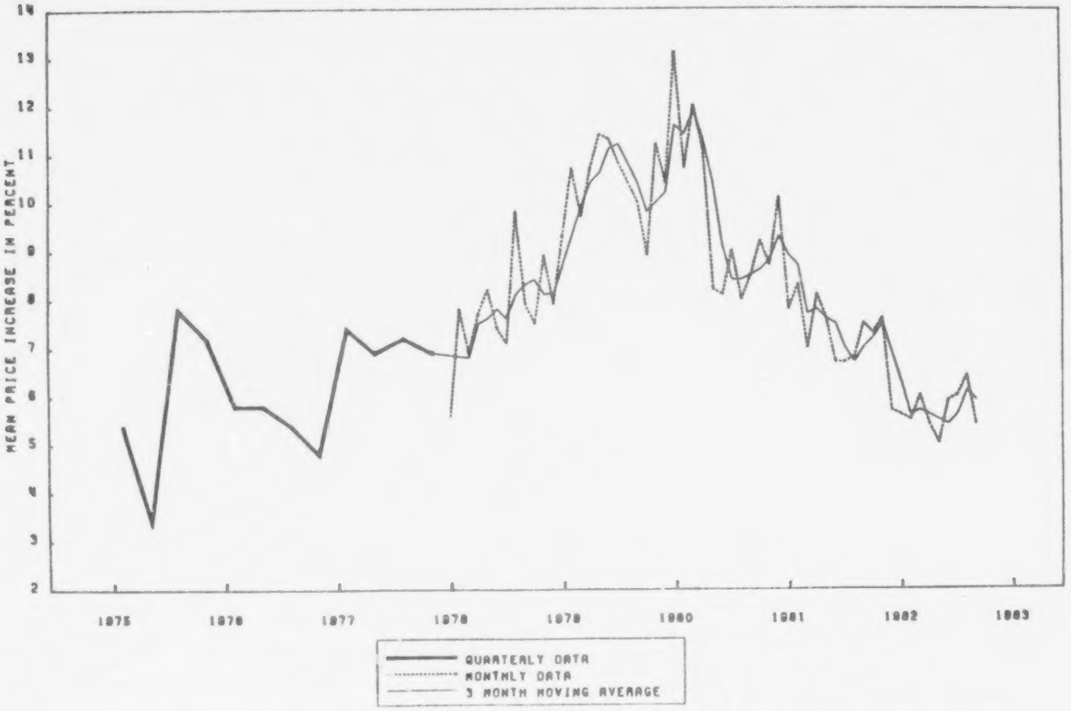
## CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 10% | 8% | 7% | 10% | 11% | 13% | 15% | 15% | 23% | 14% | 12% | 12% | 16% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 3 | 4 | 2 | 4 | 4 | 4 | 5 | 4 | 2 | 8 | 6 | 5 | 6 |
| 3-4% | 5 | 6 | 7 | 7 | 5 | 6 | 7 | 7 | 11 | 10 | 8 | 8 | 10 |
| 5% | 9 | 9 | 11 | 11 | 11 | 11 | 13 | 12 | 12 | 12 | 14 | 11 | 12 |
| 6-9% | 15 | 12 | 14 | 15 | 17 | 14 | 12 | 14 | 13 | 14 | 13 | 16 | 14 |
| 10-14% | 25 | 26 | 26 | 28 | 24 | 24 | 24 | 24 | 16 | 21 | 22 | 24 | 19 |
| 15% or more | 24 | 27 | 24 | 19 | 22 | 22 | 19 | 17 | 17 | 16 | 18 | 17 | 16 |
| DK how much up | 8 | 8 | 8 | 6 | 6 | 6 | 5 | 7 | 6 | 5 | 6 | 6 | 7 |
| DK,NA | 1 | * | 1 | * | * | * | * | * | * | * | 1 | 1 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 12.2 | 13.2 | 12.2 | 10.5 | 11.3 | 11.3 | 10.1 | 9.1 | 8.3 | 8.8 | 9.2 | 9.8 | 9.3 |
| VARIANCE | 143 | 156 | 134 | 104 | 126 | 132 | 114 | 83 | 96 | 93 | 87 | 96 | 115 |
| CASES | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

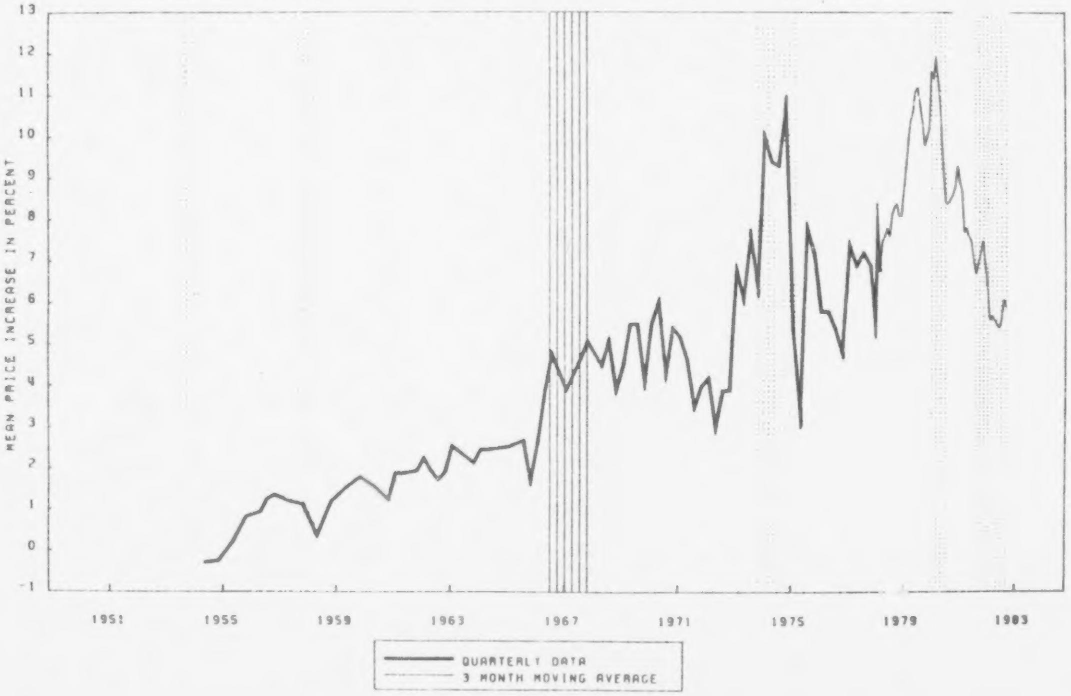
The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

## CHART 23 - RECENT CHANGES
## MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## CHART 23 - HISTORICAL SERIES
## MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



## TABLE 23

## EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAME OR DOWN | 30% | 27% | 27% | 35% | 36% | 38% | 32% | 33% | 36% | 30% | 23% | 23% | 31% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 5 | 5 | 4 | 4 | 5 | 4 | 7 | 4 | 6 | 7 | 7 | 8 | 7 |
| 3-4% | 8 | 7 | 6 | 8 | 8 | 7 | 11 | 7 | 9 | 10 | 10 | 12 | 9 |
| 5% | 10 | 12 | 11 | 12 | 13 | 12 | 11 | 16 | 15 | 14 | 17 | 16 | 14 |
| 6-9% | 11 | 14 | 11 | 14 | 11 | 12 | 12 | 10 | 11 | 10 | 15 | 12 | 13 |
| 10-14% | 17 | 17 | 22 | 14 | 13 | 14 | 12 | 16 | 8 | 16 | 14 | 13 | 12 |
| 15% or more | 13 | 12 | 11 | 8 | 8 | 7 | 11 | 8 | 8 | 8 | 7 | 11 | 7 |
| DK how much up | 5 | 5 | 6 | 3 | 4 | 5 | 2 | 3 | 4 | 3 | 5 | 3 | 5 |
| DK,NA | 1 | 1 | 2 | 2 | 2 | 1 | 2 | 3 | 3 | 2 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 7.5 | 7.3 | 7.6 | 5.7 | 5.6 | 5.5 | 6.0 | 5.4 | 5.0 | 5.9 | 6.0 | 6.4 | 5.4 |
| VARIANCE | 91 | 71 | 84 | 62 | 59 | 59 | 85 | 54 | 58 | 71 | 53 | 65 | 59 |
| CASES | 680 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

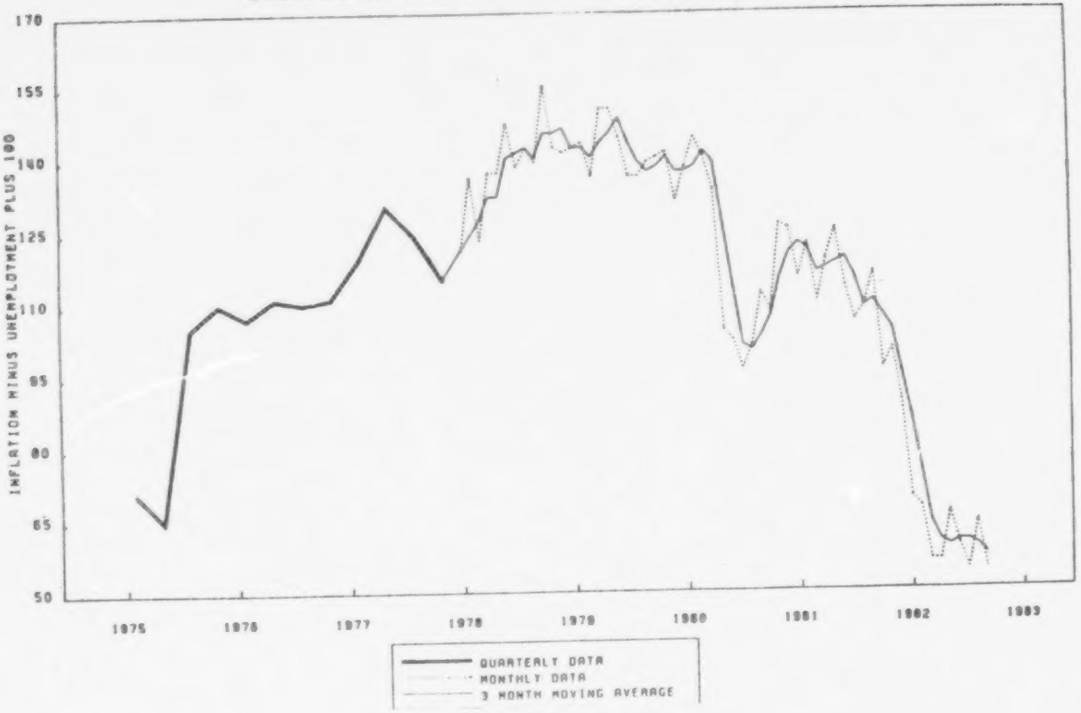
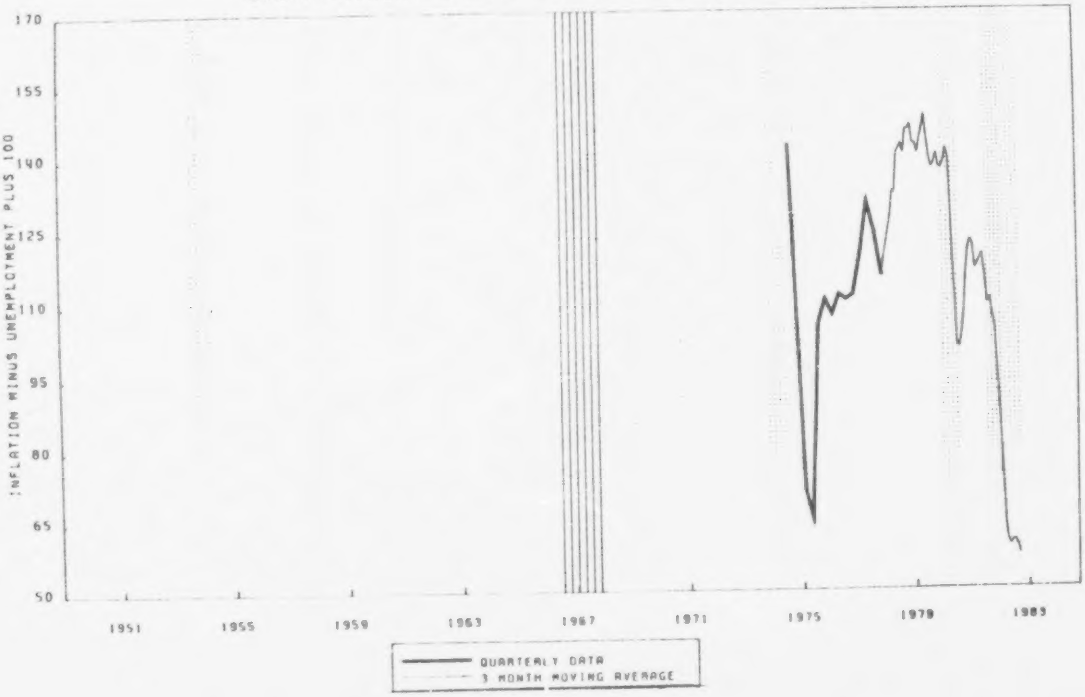


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS



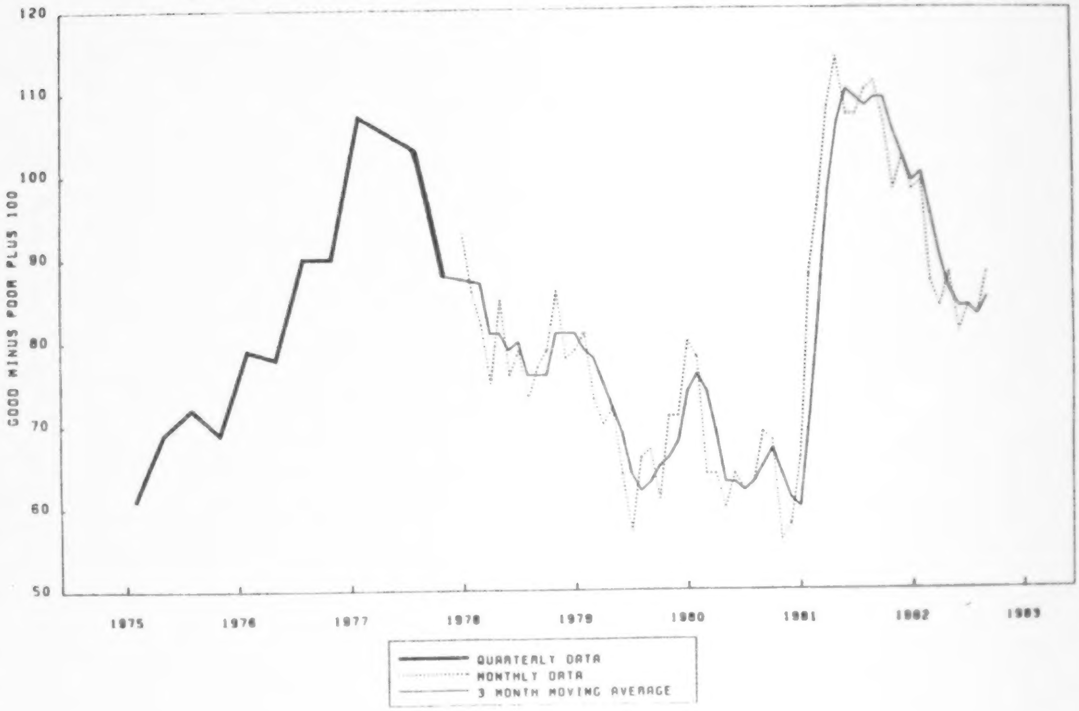
## TABLE 24

## UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

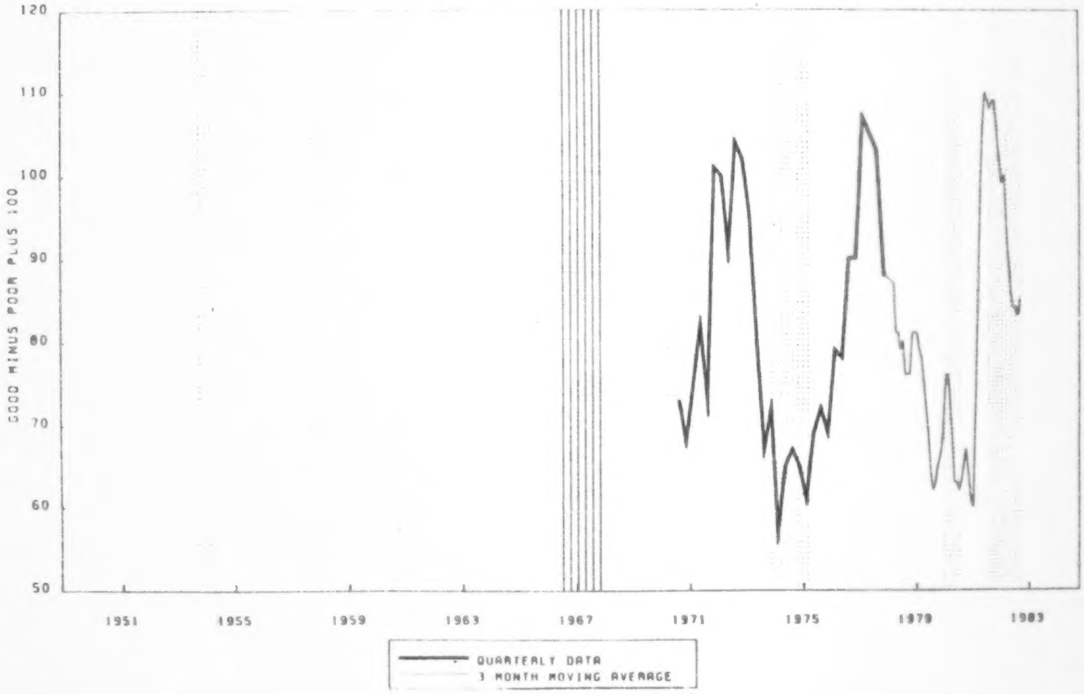
| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UNEMPLOYMENT | 37% | 45% | 43% | 49% | 60% | 59% | 66% | 65% | 62% | 64% | 67% | 62% | 68% |
| BOTH EQUALLY SERIOUS | 9 | 12 | 13 | 11 | 10 | 14 | 11 | 13 | 9 | 12 | 11 | 11 | 9 |
| INFLATION | 53 | 41 | 43 | 38 | 29 | 26 | 22 | 21 | 28 | 23 | 21 | 26 | 22 |
| DK,NA | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

## CHART 25 - RECENT CHANGES
## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## CHART 25 - HISTORICAL SERIES
## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



## TABLE 25

## OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

|  | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A GOOD JOB | 31% | 31% | 23% | 26% | 25% | 27% | 18% | 22% | 20% | 16% | 18% | 17% | 19% |
| ONLY FAIR | 45 | 41 | 49 | 47 | 46 | 42 | 48 | 37 | 46 | 46 | 46 | 45 | 46 |
| A POOR JOB | 20 | 25 | 25 | 24 | 27 | 28 | 31 | 38 | 32 | 35 | 34 | 34 | 31 |
| DK,NA | 4 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

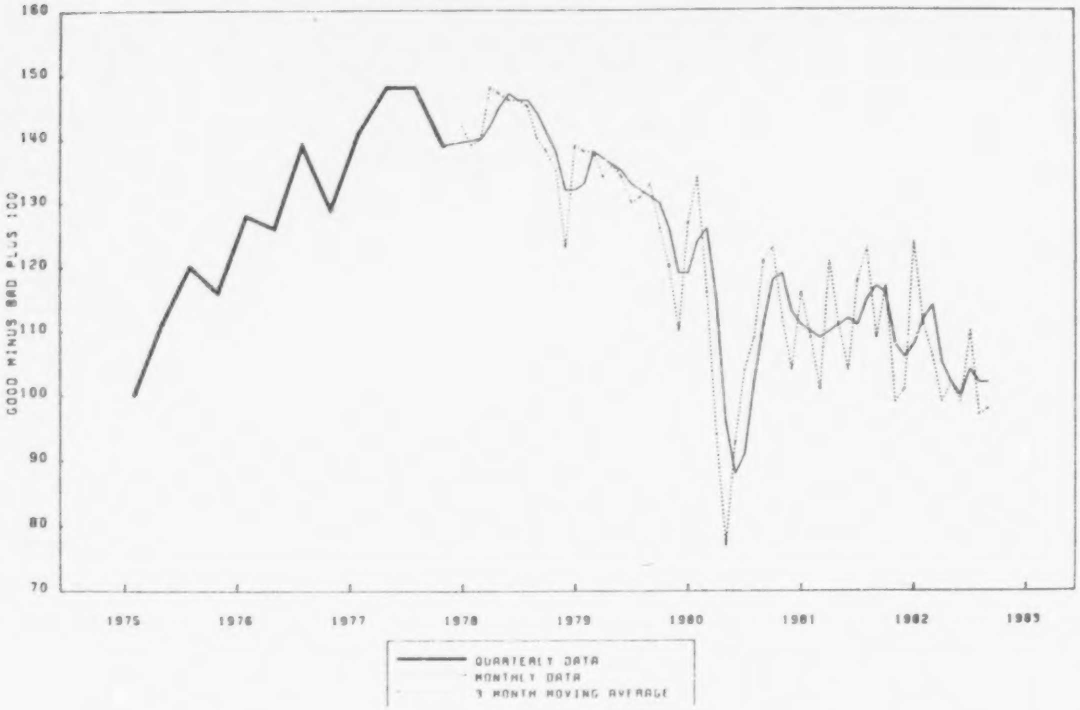
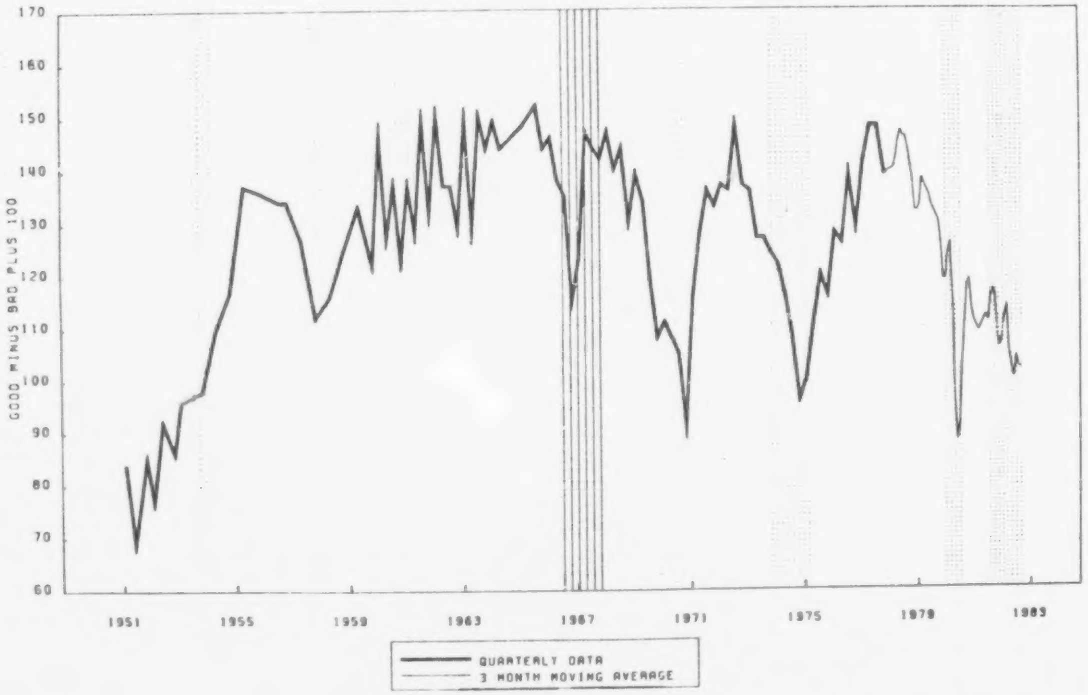


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



## TABLE 26

## BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 44% | 52% | 43% | 44% | 57% | 48% | 48% | 41% | 45% | 43% | 48% | 41% | 42% |
| UNCERTAIN, DEPENDS | 21 | 13 | 13 | 13 | 10 | 15 | 10 | 17 | 12 | 13 | 14 | 15 | 14 |
| BAD TIME TO BUY | 35 | 35 | 44 | 43 | 33 | 37 | 42 | 42 | 43 | 44 | 38 | 44 | 44 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

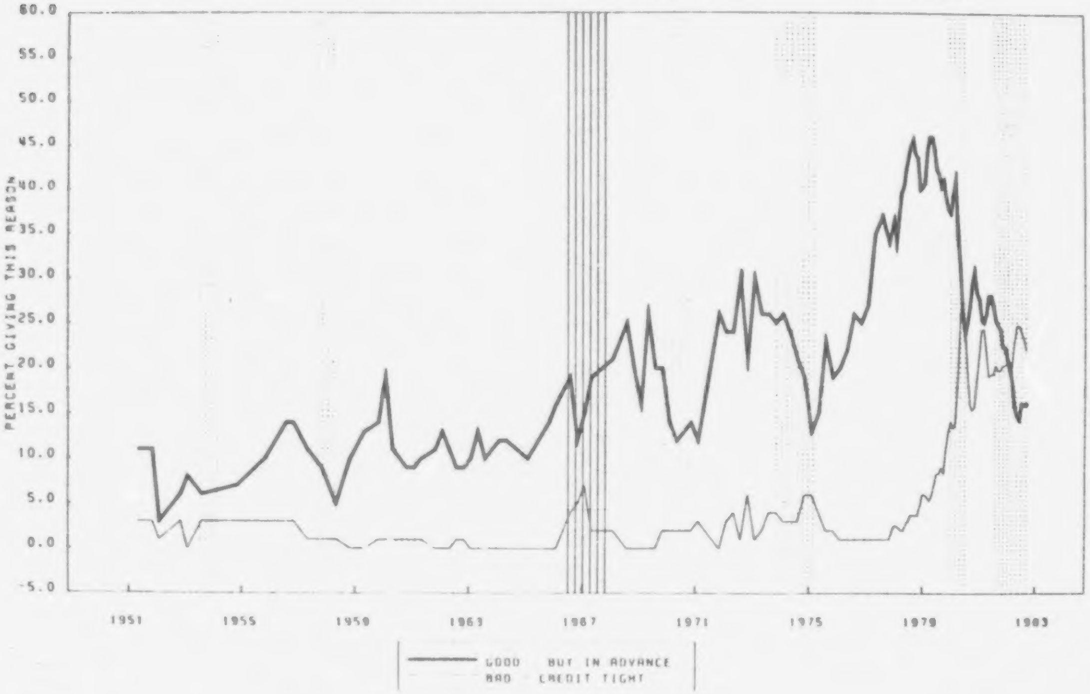
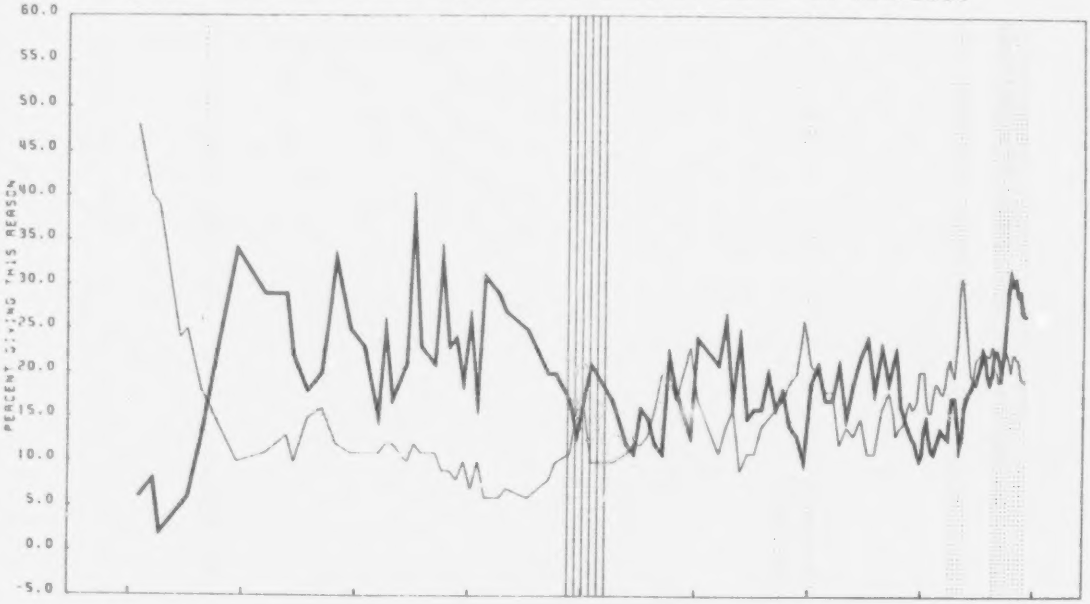


CHART 27B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES



## TABLE 27

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 20% | 21% | 19% | 26% | 32% | 30% | 32% | 29% | 31% | 27% | 30% | 24% | 26% |
| Prices won't come down; are going higher | 21 | 25 | 20 | 21 | 22 | 18 | 15 | 14 | 15 | 14 | 19 | 15 | 14 |
| Interest rates low; credit is easy | 1 | 1 | 2 | 2 | 3 | 2 | 1 | 1 | 3 | 2 | 2 | 2 | 4 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 21 | 19 | 25 | 26 | 17 | 22 | 22 | 23 | 21 | 21 | 18 | 19 | 21 |
| Interest rates are high; credit is tight | 21 | 17 | 23 | 21 | 18 | 19 | 24 | 26 | 24 | 24 | 24 | 22 | 20 |
| Lack of purchasing power | 9 | 11 | 12 | 15 | 13 | 15 | 18 | 19 | 20 | 21 | 19 | 21 | 21 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

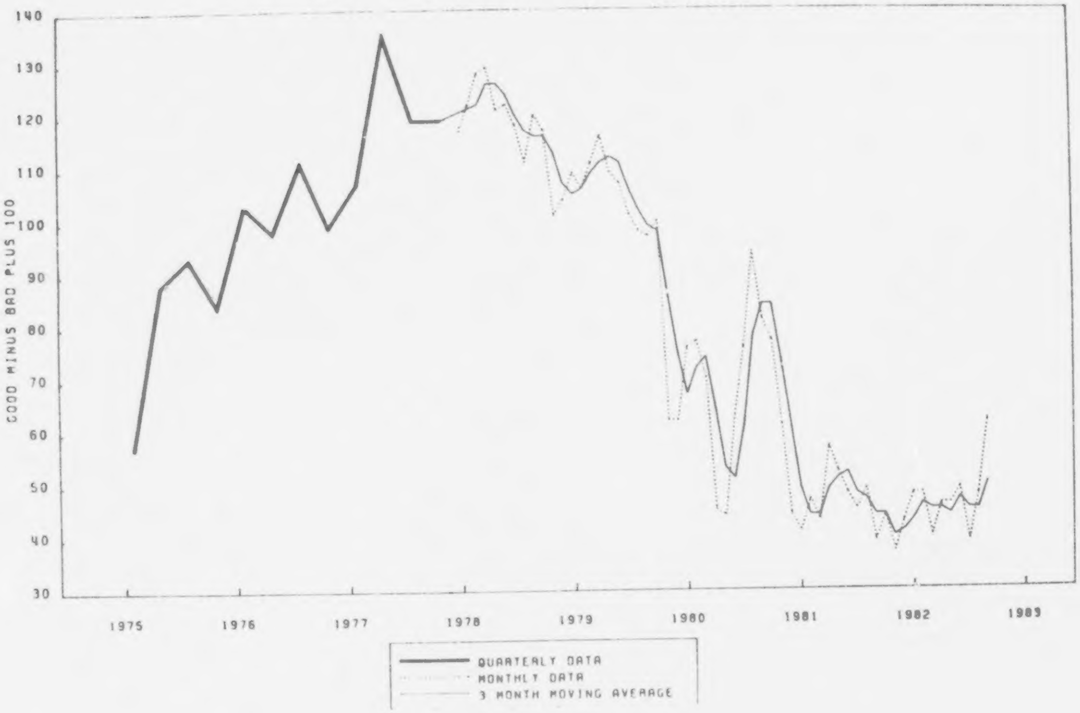
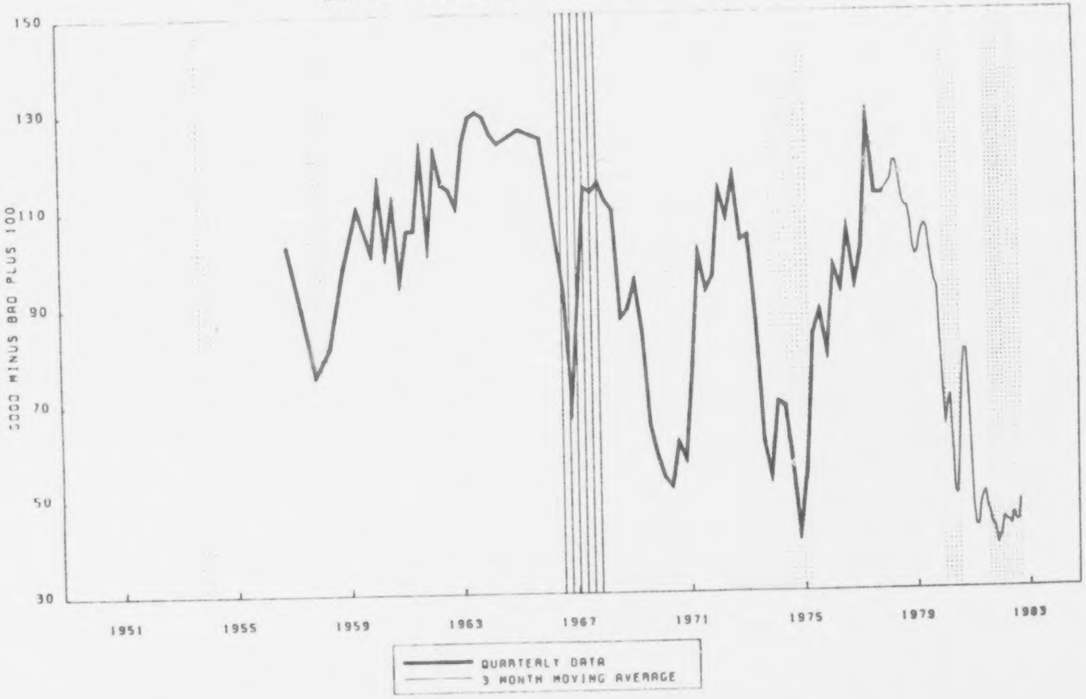


CHART 28 HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



## TABLE 28

## BUYING CONDITIONS FOR HOUSES

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 15% | 18% | 16% | 19% | 21% | 21% | 17% | 20% | 19% | 21% | 15% | 20% | 28% |
| UNCERTAIN, DEPENDS | 9 | 8 | 5 | 5 | 6 | 6 | 6 | 6 | 8 | 7 | 9 | 8 | 6 |
| BAD TIME TO BUY | 76 | 74 | 79 | 76 | 73 | 73 | 77 | 74 | 73 | 72 | 76 | 72 | 66 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

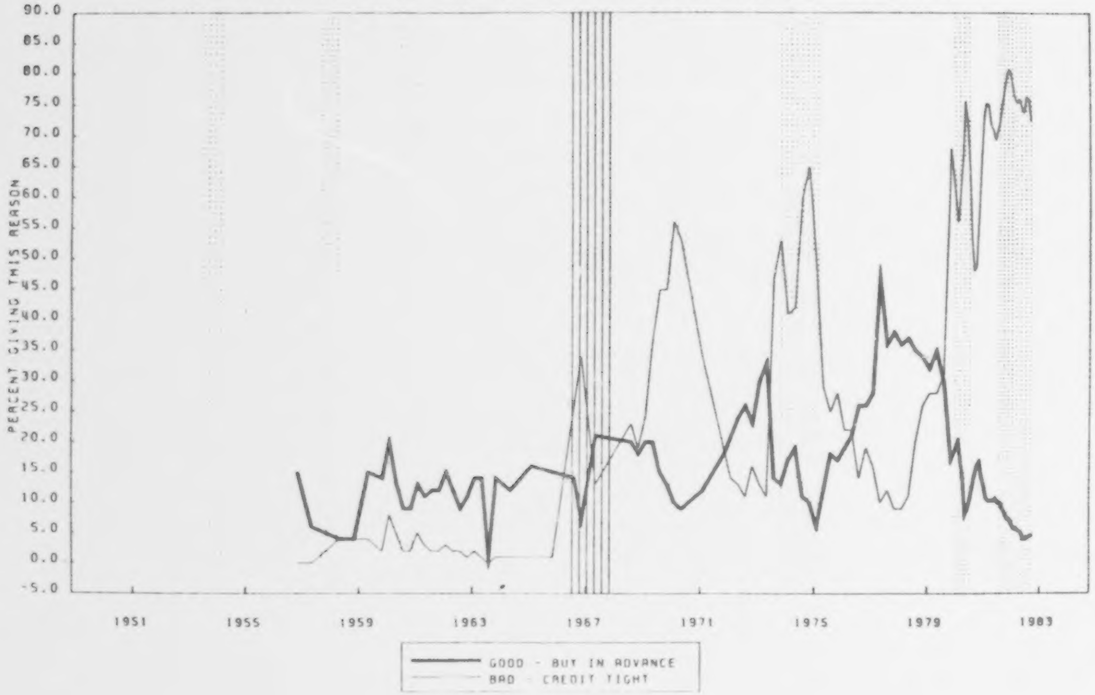
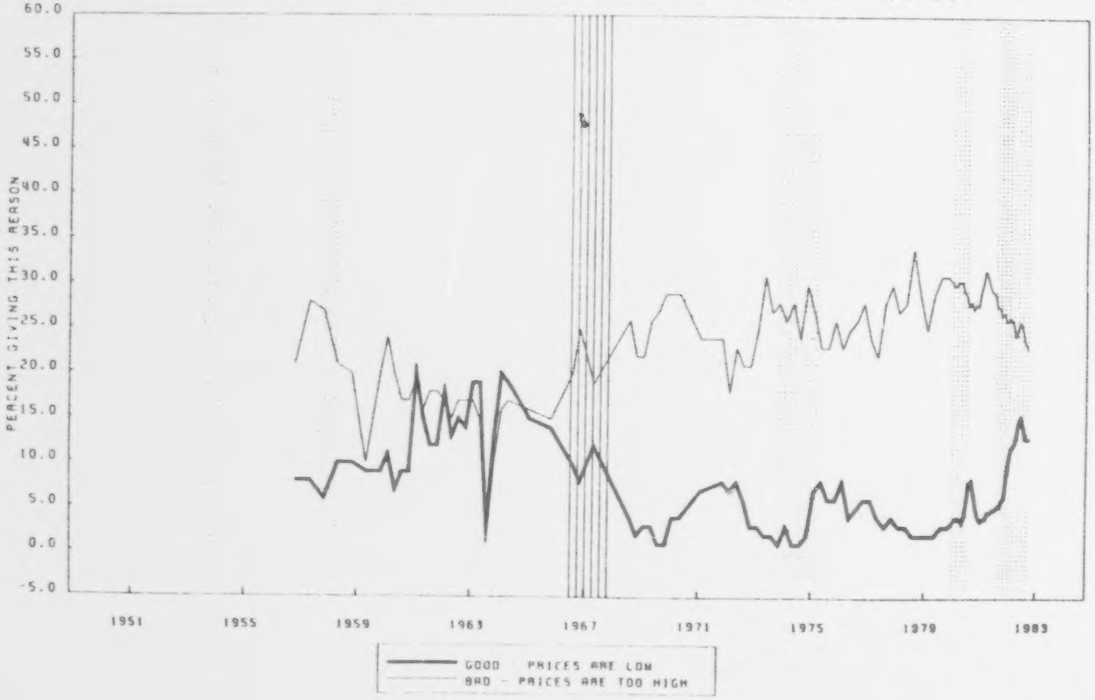


CHART 29B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



## TABLE 29

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 5% | 7% | 7% | 12% | 13% | 11% | 13% | 15% | 16% | 15% | 12% | 12% | 15% |
| Prices won´t come down; are going higher | 7 | 9 | 7 | 7 | 5 | 5 | 7 | 4 | 4 | 4 | 4 | 5 | 5 |
| Interest rates low; credit is easy | 6 | 4 | 4 | 6 | 8 | 7 | 4 | 6 | 6 | 7 | 4 | 7 | 20 |
| Good investment | 4 | 3 | 5 | 3 | 5 | 6 | 4 | 5 | 5 | 4 | 3 | 4 | 3 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 30 | 27 | 24 | 27 | 28 | 24 | 25 | 24 | 27 | 27 | 21 | 23 | 25 |
| Interest rates are high; credit is tight | 80 | 78 | 83 | 81 | 72 | 76 | 78 | 74 | 72 | 75 | 82 | 71 | 64 |
| Lack of purchasing power | 15 | 11 | 17 | 21 | 22 | 19 | 23 | 22 | 18 | 23 | 27 | 20 | 21 |

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

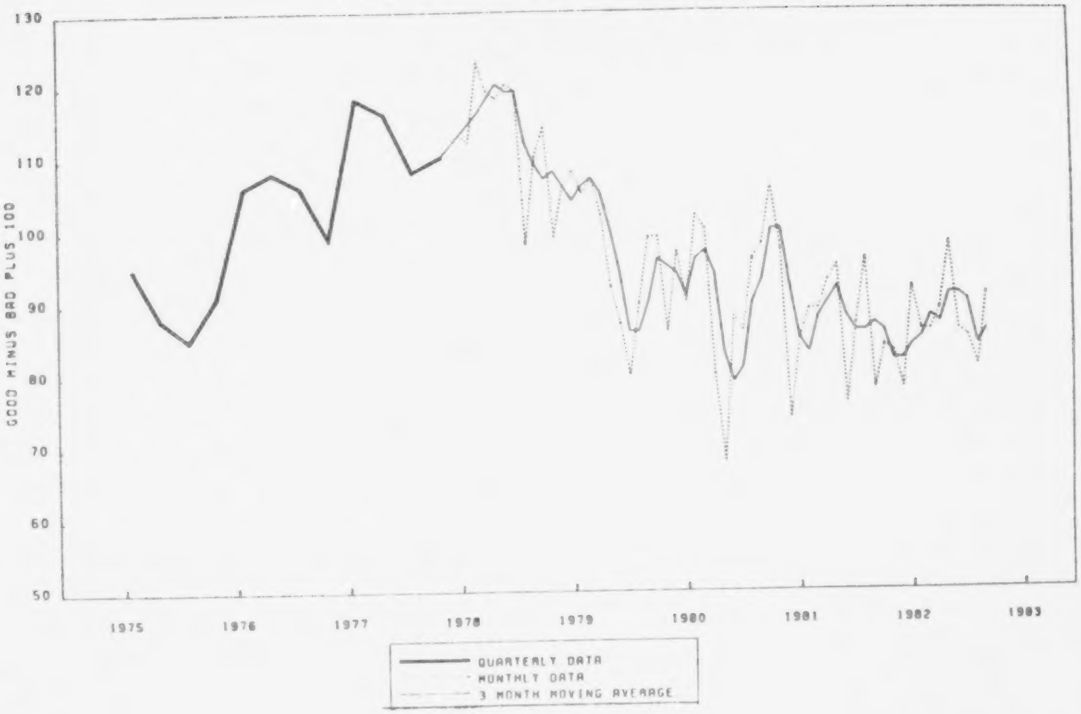


CHART 30 HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

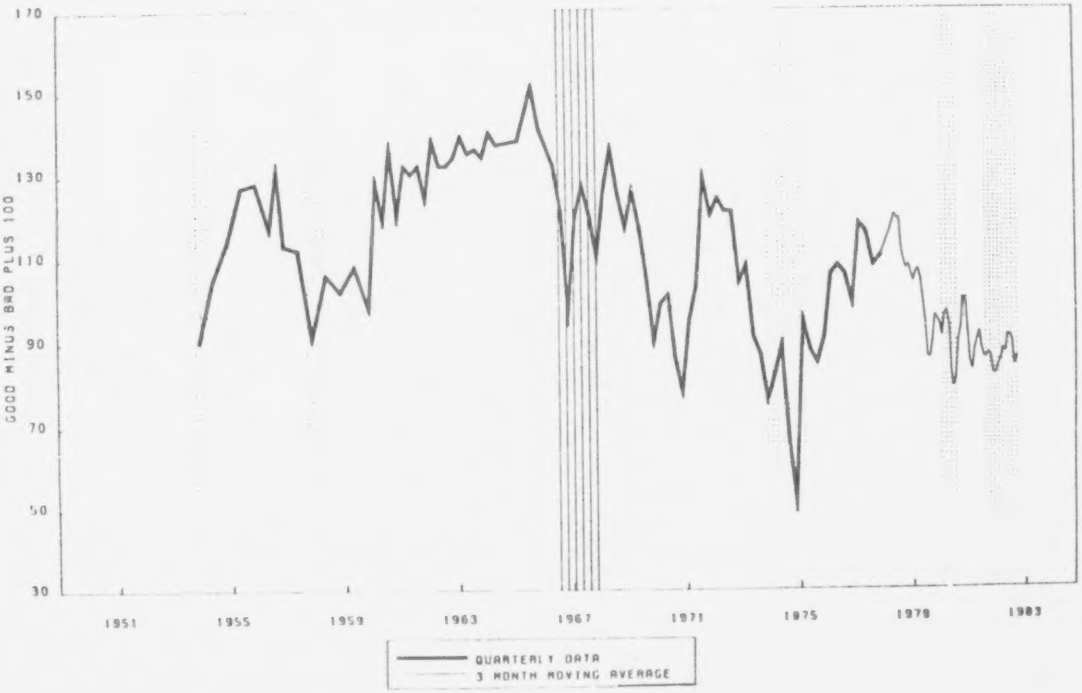


TABLE 30

## BUYING CONDITIONS FOR CARS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY | 34% | 37% | 37% | 34% | 41% | 37% | 39% | 40% | 44% | 40% | 37% | 35% | 40% |
| UNCERTAIN; DEPENDS | 10 | 10 | 9 | 10 | 10 | 12 | 8 | 9 | 10 | 6 | 11 | 11 | 11 |
| BAD TIME TO BUY | 56 | 53 | 54 | 56 | 49 | 51 | 53 | 51 | 46 | 54 | 52 | 54 | 49 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

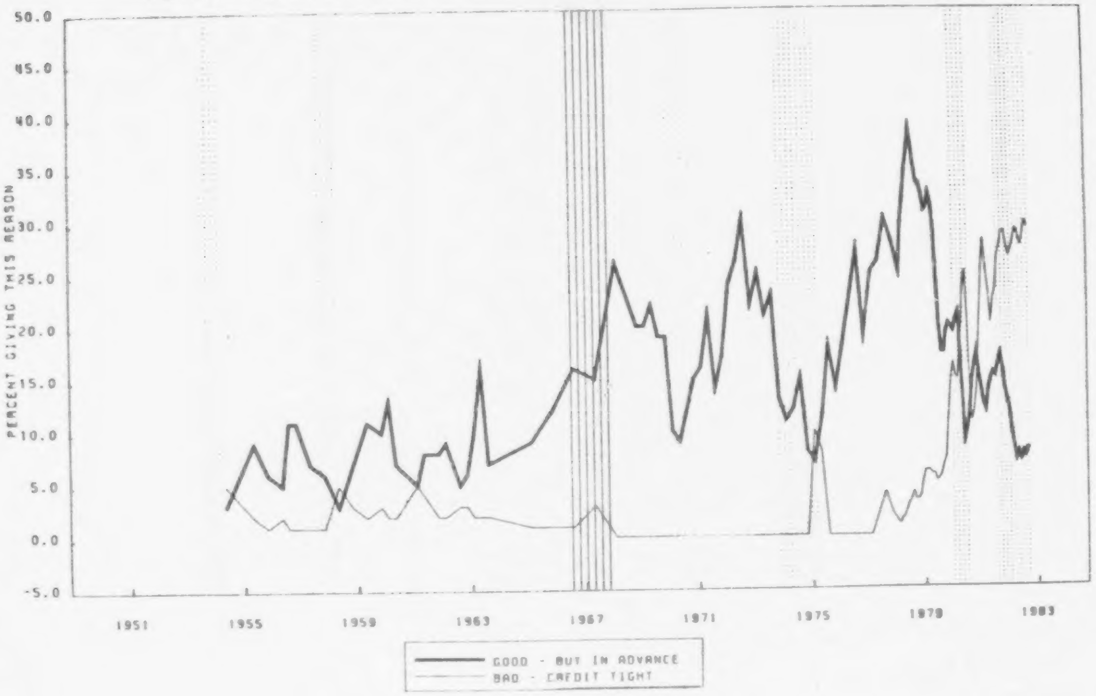
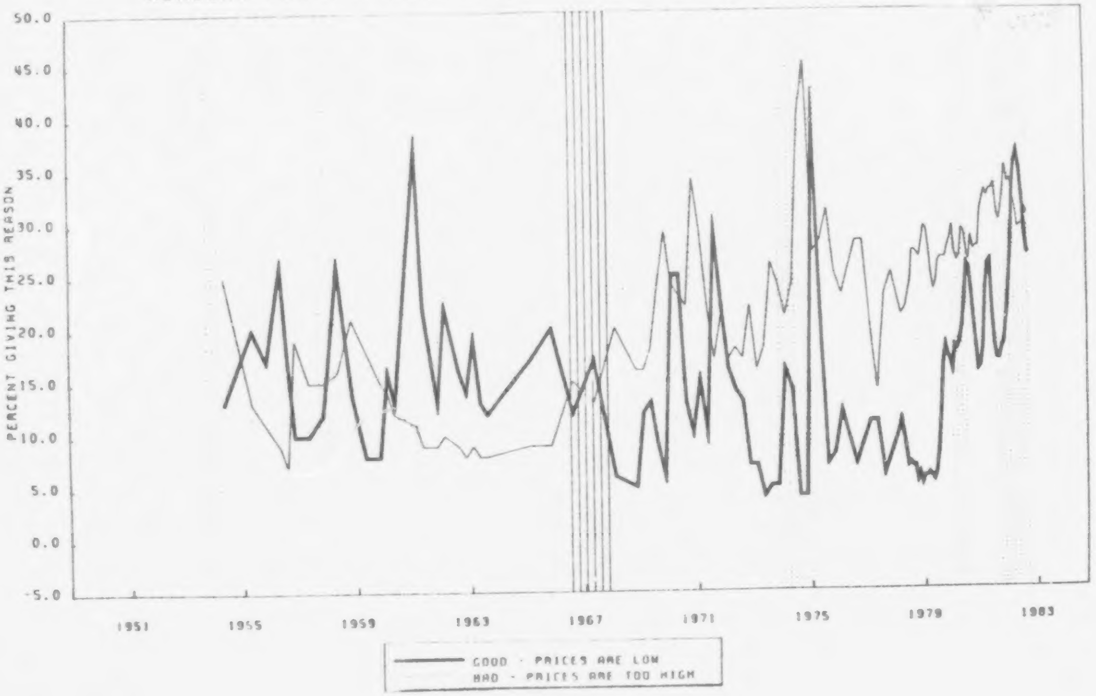


CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



## TABLE 31

## SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 14% | 20% | 21% | 22% | 29% | 33% | 37% | 36% | 36% | 32% | 28% | 26% | 26% |
| Prices won´t come down; are going higher | 15 | 14 | 12 | 12 | 11 | 6 | 8 | 7 | 8 | 6 | 9 | 7 | 8 |
| Interest rates low; credit is easy | 6 | 4 | 5 | 5 | 6 | 3 | 3 | 7 | 11 | 7 | 5 | 6 | 10 |
| New fuel efficient models | 4 | 2 | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 2 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 30 | 36 | 32 | 37 | 31 | 33 | 32 | 28 | 27 | 33 | 28 | 32 | 31 |
| Interest rates are high; credit is tight | 31 | 29 | 26 | 27 | 26 | 28 | 30 | 29 | 26 | 27 | 32 | 30 | 25 |
| Lack of purchasing power | 8 | 7 | 8 | 13 | 13 | 12 | 16 | 13 | 11 | 11 | 13 | 12 | 14 |
| Price of gas; shortages | 3 | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 2 | 2 | 1 | 1 |
| Poor selection; quality | 9 | 8 | 10 | 9 | 8 | 9 | 7 | 8 | 6 | 10 | 10 | 7 | 7 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

CHART 32 - RECENT CHANGES
PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

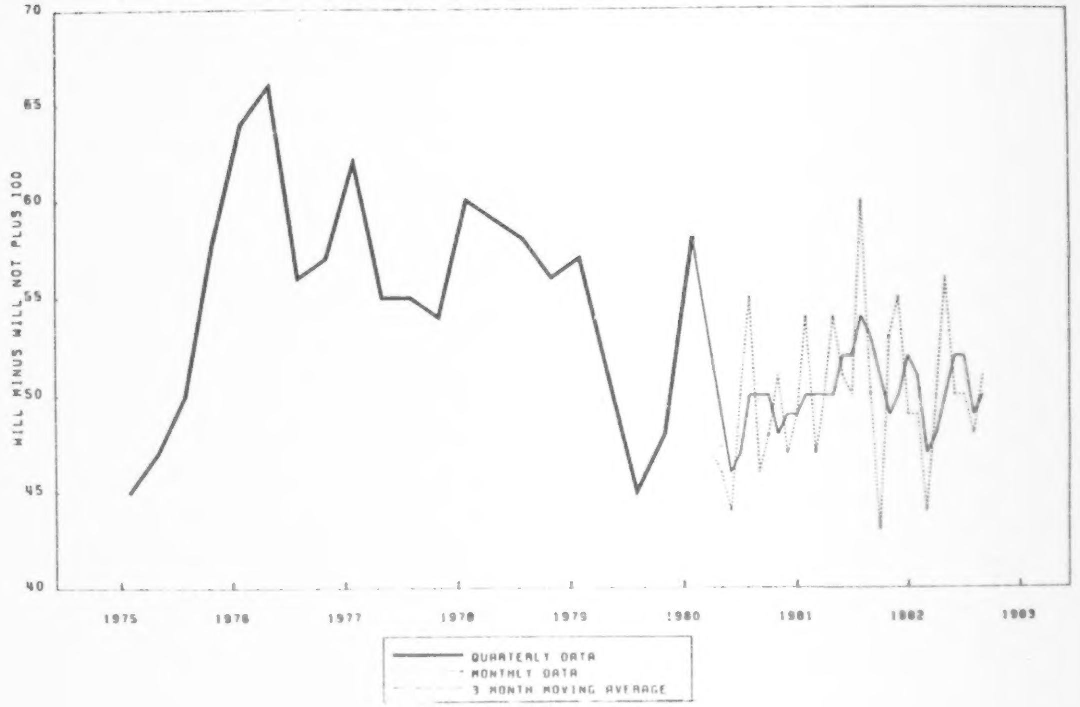
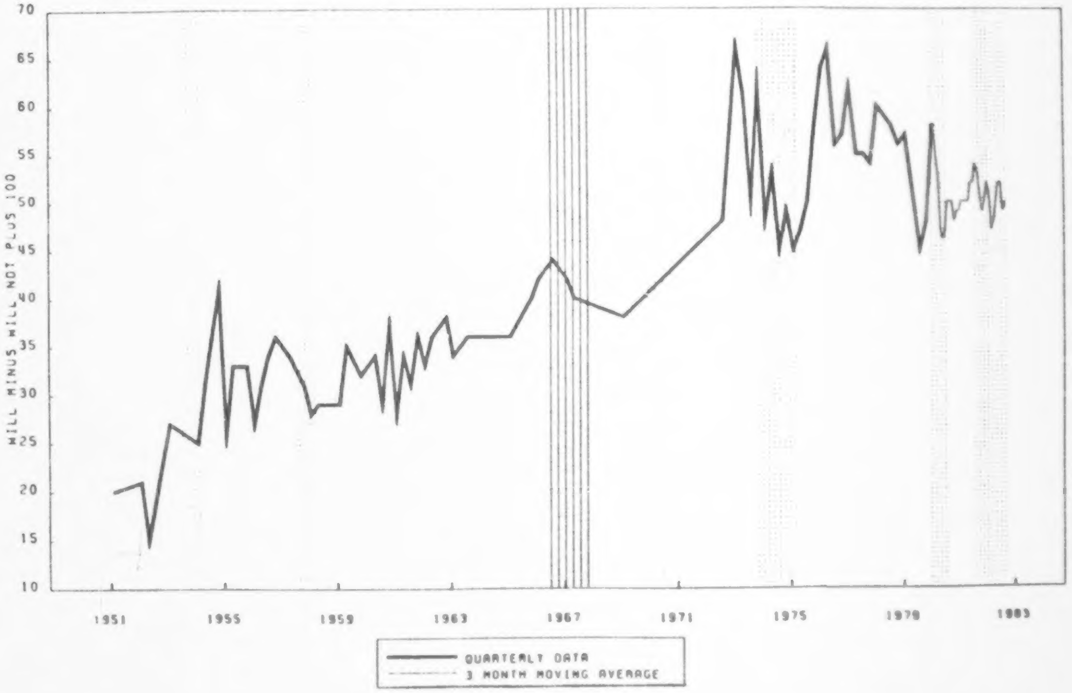


CHART 32 - HISTORICAL SERIES
PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS



## TABLE 32

## PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROBABLY WILL BUY | 17% | 14% | 19% | 19% | 16% | 17% | 14% | 17% | 19% | 18% | 16% | 16% | 18% |
| CHANCES ARE EVEN | 3 | 7 | 6 | 7 | 8 | 7 | 7 | 6 | 8 | 7 | 8 | 7 | 5 |
| PROBABLY WILL NOT BUY | 67 | 70 | 66 | 64 | 67 | 68 | 70 | 67 | 63 | 68 | 66 | 68 | 67 |
| DK,NA | 13 | 9 | 9 | 10 | 9 | 8 | 9 | 10 | 10 | 7 | 10 | 9 | 10 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| CASES | 681 | 712 | 690 | 701 | 704 | 700 | 684 | 702 | 691 | 703 | 708 | 680 | 695 |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

## TABLE 33

## CURRENT VEHICLE PURCHASE INTENTIONS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 20% | 21% | 25% | 26% | 24% | 24% | 21% | 23% | 27% | 25% | 24% | 23% | 23% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 9 | 10 | 11 | 11 | 9 | 11 | 11 | 11 | 13 | 9 | 11 | 12 | 10 |
| Buy used | 9 | 9 | 12 | 13 | 13 | 11 | 9 | 11 | 11 | 13 | 11 | 9 | 12 |
| Lease | 1 | 1 | * | 1 | 1 | 1 | * | 1 | 1 | 2 | 1 | 1 | * |
| DK,NA | 1 | 1 | 2 | 1 | 1 | 1 | 1 | * | 2 | 1 | 1 | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 2 | 4 | 2 | 1 | 5 | 3 | 1 | 4 | 4 | 2 | 6 | 4 | 2 |
| Next 4-6 months | 4 | 6 | 6 | 5 | 7 | 6 | 5 | 7 | 7 | 5 | 6 | 5 | 5 |
| Next 7-9 months | 5 | 3 | 8 | 10 | 6 | 7 | 5 | 6 | 7 | 6 | 3 | 3 | 4 |
| 10 months or more | 5 | 4 | 4 | 6 | 3 | 5 | 6 | 2 | 3 | 7 | 4 | 4 | 7 |
| DK,NA | 4 | 4 | 5 | 4 | 3 | 3 | 4 | 4 | 6 | 5 | 5 | 7 | 5 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

## TABLE 34

## FUTURE VEHICLE PURCHASE INTENTIONS

| | Sept 1981 | Oct. 1981 | Nov. 1981 | Dec. 1981 | Jan. 1982 | Feb. 1982 | Mar. 1982 | Apr. 1982 | May 1982 | June 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 67% | 70% | 66% | 64% | 67% | 68% | 70% | 67% | 63% | 68% | 66% | 68% | 67% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 33 | 38 | 34 | 33 | 36 | 37 | 38 | 39 | 34 | 37 | 38 | 40 | 37 |
| Would buy used | 31 | 29 | 29 | 29 | 30 | 28 | 31 | 26 | 28 | 29 | 25 | 27 | 29 |
| DK,NA | 3 | 3 | 3 | 2 | 1 | 3 | 1 | 2 | 1 | 2 | 3 | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 5 | 5 | 7 | 6 | 7 | 5 | 10 | 5 | 5 | 6 | 4 | 5 | 5 |
| 2 years | 23 | 20 | 18 | 22 | 23 | 22 | 22 | 21 | 20 | 25 | 20 | 22 | 23 |
| 3 years | 10 | 11 | 8 | 9 | 12 | 11 | 11 | 12 | 11 | 13 | 13 | 12 | 11 |
| 4 years or more | 21 | 24 | 19 | 19 | 19 | 22 | 21 | 22 | 19 | 16 | 21 | 18 | 20 |
| Indefinite | 2 | 4 | 4 | 3 | 3 | 1 | 1 | 1 | 2 | 3 | 2 | 4 | 3 |
| DK,NA | 6 | 6 | 10 | 5 | 3 | 7 | 5 | 6 | 6 | 5 | 6 | 7 | 5 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

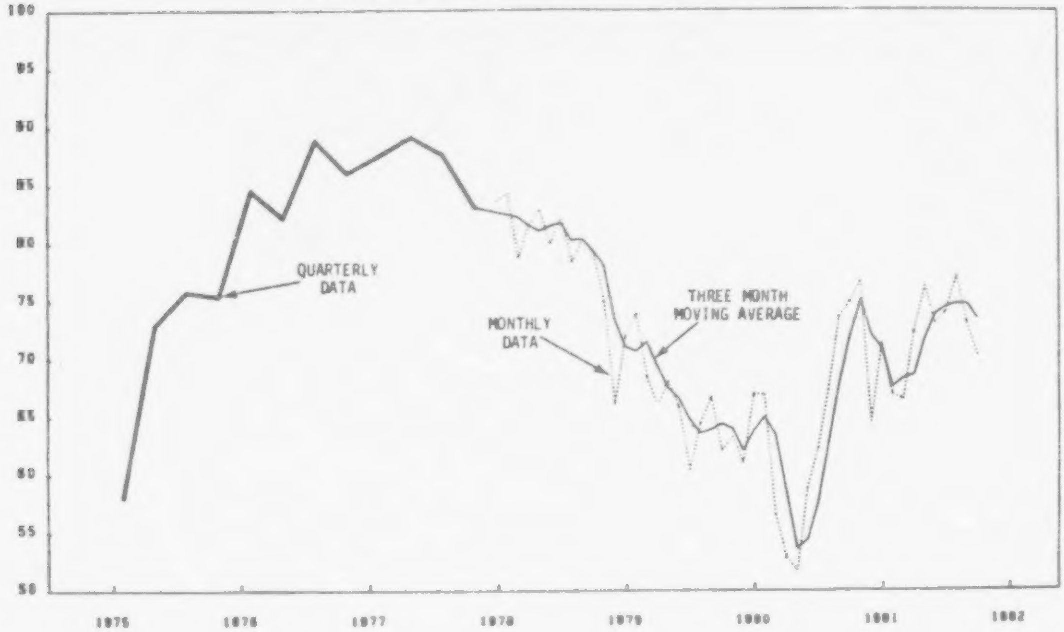
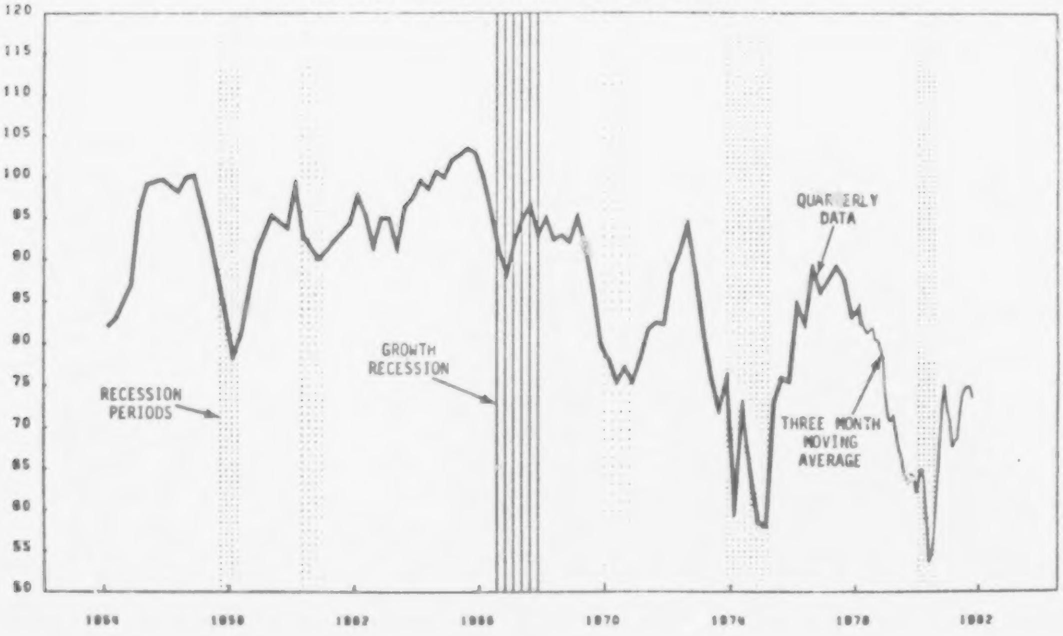


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

## TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 -

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

## APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

# SUMMARY

10/4/82 U7475-2A

October 1, 1982

SEPTEMBER 1982 MONTHLY REPORT

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

## INTEREST RATE DECLINES IMPROVE SPENDING PROSPECTS: TURNING THE CORNER ON A STILL WINDING ROAD

** In the September 1982 survey the Index of Consumer Sentiment was 69.3, an improvement of 3.9 Index points from August (65.4), but 3.8 Index points below the September 1981 reading (73.1). The small improvement in consumer sentiment was due to favorable interest rate expectations. Declines in interest rates helped improve business prospects as well as buying conditions.

** Among families with incomes of $20,000 or more the Index was 78.4 in September 1982, an increase of 7.4 Index points from August (71.0), and 3.2 Index points above September 1981 (75.2).

** Spreading unemployment remained the dominant concern of consumers in the September 1982 survey, mentioned by half of all families when asked about recent economic developments. Unemployment was expected to increase further during the year ahead by 43 percent of all families, more than twice as many as expected declines (18 percent). Coupled with continued moderation in inflation, unemployment was viewed as the more serious economic problem facing the nation by a three to one margin over inflation--a record level.

** The financial situation of American families remained unfavorable in the September 1982 survey, with more families reporting income declines than at any other time during the prior two decades (24 percent). Concerns about income and employment have led consumers to adopt cautious spending plans, with continued widespread reluctance to use savings or incur new debt to make large purchases. The 1982 income tax cut has done little to offset these declines, with just one-in-four households reporting increases in take-home pay, typically of $23 per month.

** Interest rates were expected to decline during the year ahead by 48 percent of all families, compared with 22 percent that expected increases. Widespread awareness of interest rate declines was reflected by more favorable buying attitudes. Favorable attitudes toward market conditions for houses rose to 28 percent in the September 1982 survey, up from 15 percent two months earlier. The proportion of families that made favorable references to mortgage credit terms rose to 20 percent in September, up from just 7 percent in August, while complaints of high interest rates fell to 64 from 71 percent. Car buying attitudes also improved in the September survey due to more favorable interest rate expectations. Due to currently high interest rates on consumer loans, reports of purchase postponement remained widespread in the September 1982 survey.

* * *

The September 1982 survey indicates a heightened recognition of and sensitivity to interest rate trends. Declines in consumer loan rates will release pent-up demand, but increases in consumer sales will be constrained by personal financial uncertainty, not eased significantly by the tax cut.

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## Unemployment Dominates Other Concerns

Unemployment continued to dominate consumer views of the current state of the economy in the September 1982 survey. When asked to identify recent changes in the economy that they had heard and could recall, half of all respondents mentioned increases in unemployment--at record high levels for the third consecutive month. Among all families, 79 percent reported in the September 1982 survey that they thought the economy had worsened during the past year, while just 13 percent reported improvement. Consumer evaluations of business conditions have remained at these unfavorable levels throughout 1982, and are significantly less favorable than one year earlier. Unemployment was expected to increase further during the year ahead by 43 percent of all respondents in the September 1982 survey, compared with just 18 percent that expected declines in unemployment. From September to December 1981, the proportion that expected increases in unemployment rose sharply from 39 to 59 percent, and has since declined at a slow pace, falling to 43 percent by September 1982.

The expected annual rate of inflation continued to moderate in the September 1982 survey. Among all families, the average annual inflation rate expected during the year ahead was 5.4% in the September 1982 survey, down from 6.4% last month and 7.5% in September 1981. Compared with one year earlier, approximately the same proportion of respondents expected prices to remain unchanged or to decline in the year ahead (31 percent), while fewer respondents expected double digit increases in September 1982 (19 percent) compared with September 1981 (30 percent).

Three times as many families in the September 1982 survey thought that unemployment rather than inflation represented the more serious economic hardship facing the nation--68 versus 22 percent, an all time record level of concern with unemployment. Last September, the balance of opinion was in the opposite direction, with inflation identified as the more serious economic problem by the margin of 53 to 37 percent.

Confidence in government economic policies to reduce inflation and unemployment improved somewhat in the September 1982 survey, but the balance of opinion remains unfavorable, in sharp contrast to one year earlier. Among all families, 19 percent rated government economic policies favorably in September 1982, up from 17 percent in August, but well below the 31 percent recorded in September 1981. Unfavorable policy ratings were given by 31 percent of all respondents in September 1982, down from 34 percent in August, but above the 20 percent recorded one year earlier.

Despite the depth of concern with the current state of the economy, on balance, business conditions were expected to improve during the year ahead. In the September 1982 survey, 36 percent of all families expected business conditions to improve, up from 31 percent in August, while the proportion that expected a worsening economy fell to 19 from 23 percent one month earlier. The recent small improvement in business expectations can be traced to more favorable interest rate trends. When asked to explain why they thought business conditions would improve, 13 percent of all respondents mentioned interest rate declines, up from just 4 percent one year earlier. The proportion of respondents that expected good times financially in the economy as a whole during the next 12 months rose to 33 percent in September 1982, from 26 percent one month earlier, and just 17 percent six months earlier. This improvement reverses the entire decline recorded during the past 12 months, with both the September 1981 and September 1982 surveys recording 33 percent that expected good times financially for the economy. Despite this improvement, more families still expect bad times rather than good times financially in the economy as a whole during the next 12 months. In September 1982, 57 percent reported they expected bad times financially, down from 62 percent in August, and 73 percent six months earlier.

## Income Declines Widespread

The financial situation of American families remained unfavorable in the September 1982 survey, despite widespread expectations of improvement during the year ahead. Among all families, 42 percent reported that their financial situation had worsened during the past year, while 31 percent reported improvements. This distribution of responses was unchanged from one month earlier and somewhat more pessimistic than year earlier levels. When asked to explain why their financial situation had improved or worsened during the past year, more families mentioned income declines (24 percent) in the September 1982 survey than in any other survey during the prior two decades. Partially offsetting these unfavorable income trends, somewhat fewer respondents mentioned the adverse impact of inflation on their family budgets during the past year, falling to 27 percent in September 1982 from 34 percent in 1981. One-third of all families expected their financial situation to improve during the year ahead in the September 1982 survey, while just half as many expected further deterioration, a more favorable outlook than reported in the August 1982 survey.

Consumer views of their personal financial situation have promoted cautious spending plans. The vast majority of families remain reluctant to use savings or incur debt to make large purchases. In the September 1982 survey, 72 percent of all families said they were reluctant to use savings to make large purchases, up from 70 percent one year earlier, and 60 percent two years earlier (see Table A). Reluctance to use credit to finance major purchases was reported by 85 percent of all families in September 1982, up from 84 percent in September 1981, and 79 percent in September 1980. During the past two years the proportion that were not reluctant to use credit fell from 20 to 13 percent, while the proportion that were not reluctant to use accumulated savings fell from 30 to 25 percent.

## Tax Cut Offers Little Help

In the September 1982 survey, respondents were asked whether they expected their monthly take-home income to change as a result of the 1982 tax cut (see Table B). Fewer respondents in the September 1982 survey reported that they expected their incomes to increase from the tax cut (27 percent), down from 30 percent in August 1982 and 46 percent in April-May 1981. Not only did fewer families expect income increases, but the expected amount of the increase in disposable income also declined sharply during the past year. Among those families that expected increases in their take-home pay, the median monthly increase was $23 in September 1982, half the $50 expected in April-May 1981.

When asked what they would do with the increase in the after-tax income, respondents reported spending plans more frequently in September 1982 than in prior surveys. Spending plans were reported by 51 percent of all families in September, up from 43 percent in August and 25 percent in April-May 1981. Although the frequency of spending plans doubled during the past year, the major portion of this increase occurred, not in plans for making major new purchases (falling to 6 percent from 8 percent in 1981), but rather in increased expectations that zhese funds would be used to cover everyday expenses (from 17 to 45 percent). In conjunction, fewer respondents expected to save the extra income, with the proportion reporting saving falling to 18 percent from 41 percent in 1981. Although spending plans increased relative to saving plans during the past year, since fewer families expected even smaller take-home pay increases, the net spending stimulus was left largely unchanged from 1981 to 1982.

When asked whether the increase in their take-home pay would make a considerable difference, a small difference, or practically no difference to their financial plans, 50 percent of the respondents who expected increases in take-home pay reported that the amount of extra income would make practically no difference to their family budgets (see Table C).

## Interest Rates Loosen Hold on Buying Attitudes

Attitudes toward buying conditions for houses have posted significant improvements during the past two months from the record lows recorded at midyear. Favorable house buying attitudes rose from 15 percent in July to 20 percent in August and 28 percent in September 1982, while the proportion of families holding unfavorable buying attitudes fell from 76 to 66 percent. The major reason given by consumers for this shift in attitudes was the expectation of lower mortgage interest rates. The proportion of families that mentioned more favorable credit terms rose sharply to 20 percent in September from just 7 percent in August and 4 percent in July, while the proportion that mentioned high interest rates fell from 82 to 64 percent during the same period. When interest rates fell sharply in the second half of 1980, a similar sharp reaction was recorded in market attitudes toward house buying conditions. In September 1982 attitudes toward the housing market were more favorable than one year earlier not only due to lessened concern with interest rates, but also because of more attractive housing prices. The proportion of respondents that mentioned the appeal of lower prices and the availability of good buys rose to 15 percent in September 1982, up from just 5 percent in September 1981. At the same time, complaints of high housing prices fell to 25 percent in September 1982 from 30 percent one year earlier. This shift in reactions to housing prices stands in sharp contrast to the late 1970's when the expectation of constantly rising house prices was widespread; by September 1982, just 5 percent of all families mentioned buy-in-advance price rationales.

The September 1982 survey recorded improved consumer attitudes toward market conditions for cars, although on balance car buying attitudes remained unfavorable. Favorable car buying attitudes were held by 40 percent of all families in the September 1982 survey, up from 35 percent in August, while unfavorable attitudes fell to 49 percent from 54 percent one month earlier. This improvement can be traced to more favorable credit terms. The proportion of families that mentioned the availability of credit at lower rates was 10 percent in the September 1982 survey, up from 6 percent one month earlier, while the proportion that mentioned high interest rates fell to 25 percent in September from 30 percent in August 1982. In addition, car buying attitudes were more favorable in September 1982 than one year earlier due to the greater appeal of price discounts and rebates. Among all families, 26 percent mentioned the appeal of lower prices in the September 1982 survey, substantially above the 14 percent recorded in September 1981, but lower than the recent high level of 37 percent recorded in March 1982. Although the appeal of low prices has grown since September 1981, complaints of high car prices have remained largely unchanged, reported by 31 percent of all families in September 1982, compared with 30 percent one year earlier.

In contrast to the recent improvements recorded in the housing and vehicle markets, attitudes toward buying conditions for large household durables have remained near record low levels. An unfavorable balance of opinion toward market conditions for household durables has been recorded only rarely in the history of these surveys; however, in the September 1982 survey, 44 percent of all families rated buying conditions for household durables unfavorably, compared with 42 percent who held favorable buying opinions. In contrast to the housing and car markets, only small changes were recorded in references to credit terms for durables purchases. The proportion that mentioned more favorable credit terms for durable purchases was only 4 percent in the September 1982 survey, up from 2 percent in August, while references to high interest rates were made by 20 percent of all respondents in September 1982, just below the 22 percent recorded in August. During the past year a number of respondents, when asked to explain why they thought it was a good or a bad time to buy durables, referred to the inability of families to make such major purchases due to unemployment and income declines rather than mentioning market prices or supply conditions. This lack of income discretion was cited by 21 percent of all respondents in the September 1982 survey, up from jusz 9 percent in the prior September survey.

## Postponement Persists

Declines in interest rates have been a prevalent expectation among consumers during the past six months. In the September 1982 survey, twice as many consumers expected interest rates to decline rather than increase in the year ahead (48 versus 22 percent). The recent announced declines in market interest rates have acted to confirm consumer expectations and may have left consumers more resistant to the current rates charged on consumer loans. The September 1982 survey recorded continued widespread postponement of purchases due to high interest rates. Among all families in the September 1982 survey, 35 percent said that they had postponed purchases, just below the 36 percent recorded in August (see Table D). The type of purchase most frequently postponed was vehicles, postponed by 14 percent, up from 13 percent of households one month earlier. Reports of postponement of housing and home repair purchases fell to 9 percent in September, from 10 percent in August, and reports of postponement of household durable purchases fell to 9 percent from 11 percent of all households one month earlier (see Table D).

Importantly, despite declines in the widely announced market rates, the median interest rate reported as the rate that would have been charged on the postponed purchases was 17.6% in September 1982--a figure that has remained largely unchanged since October 1981 (see Table E). Consequently these surveys offer no evidence that consumers have yet experienced significantly lower rates on consumer loans. The highest rate that consumers would have been willing to pay to makes these purchases has remained at 12%.

* * *

The September 1982 survey contained 695 interviews completed between August 26 and September 24, 1982.

## TABLE A

## OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

| | Feb. 1977 | Feb. 1978 | Feb. 1979 | Sept 1980 | Sept 1981 | Sept 1982 |
|---|---|---|---|---|---|---|
| **a) Use of Savings** | | | | | | |
| OK to use savings; not especially reluctant | 37% | 32% | 32% | 30% | 26% | 25% |
| Pro-con | 5 | 3 | 3 | 1 | 1 | 1 |
| Not OK to use savings; especially reluctant | 56 | 62 | 63 | 60 | 70 | 72 |
| DK, NA | 4 | 3 | 2 | 9 | 3 | 2 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |
| Cases | 1097 | 1135 | 1228 | 616 | 685 | 614 |
| **b) Use of Credit** | | | | | | |
| OK to use credit; not especially reluctant | 22% | 20% | 16% | 20% | 13% | 13% |
| Pro-con | 2 | 2 | 1 | 1 | 1 | 1 |
| Not OK to use credit; especially reluctant | 71 | 77 | 82 | 79 | 84 | 85 |
| DK, NA | 5 | 1 | 1 | * | 2 | 1 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |
| Cases | 1203 | 1276 | 1361 | 616 | 681 | 695 |

---

The questions were: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?" and "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for your to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

*Less than half of 1 percent.

## TABLE B

## EXPECTED CHANGE IN MONTHLY TAKE-HOME PAY IF PERSONAL INCOME TAX REDUCTIONS ARE ADOPTED

| Expect Take-home Pay to... | 1963 | April-May 1981 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|
| Increase | NA | 46% | 31% | 30% | 27% |
| Stay tne same | | 40 | 53 | 51 | 57 |
| Decrease | | 2 | 4 | 7 | 6 |
| Does not pay taxes | | 6 | 9 | 7 | 6 |
| Don't know | | 2 | 1 | 2 | 1 |
| Not ascertained | | 4 | 2 | 3 | 3 |
| Total | | 100% | 100% | 100% | 100% |
| Cases | | 1224 | 708 | 680 | 695 |
| Expect Increase in Monthly Take-home Pay | | | | | |
| Median | NA | $50 | $22 | $25 | $23 |
| Planned Use of Increase in Take-home Pay | | | | | |
| Spend | 31% | 25% | 36% | 43% | 51% |
| New purchases | NA | 8 | 9 | 9 | 6 |
| Current expenses | NA | 17 | 27 | 34 | 45 |
| Repay debt | 12 | 21 | 24 | 22 | 20 |
| Save, invest | 44 | 41 | 33 | 25 | 18 |
| Both spend and save | 9 | 4 | 3 | 3 | 5 |
| Don't know, not ascertained | 4 | 9 | 4 | 7 | 6 |
| Total | 100% | 100% | 100% | 100% | 100% |

---

The questions were: (April-May 1981) "If the personal income tax reductions were actually passed, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?" "What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

(July-September 1982) "As a result of the 1982 federal tax cut, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?" "What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

(1963) "Suppose that income taxes are cut, so that next year everyone will have more of his money left after taxes--what do you think most people would do with this money?"

## TABLE C

## AMOUNT OF DIFFERENCE THAT EXTRA INCOME FROM TAX CUT MAKES

| | Aug. 1982 | Sept 1982 |
|---|---|---|
| Considerable difference | 5% | 6% |
| Small difference | 36 | 36 |
| Practically none | 48 | 50 |
| Don't know, not ascertained | 11 | 8 |
| Total | 100% | 100% |

The question was: "Does the amount of extra income you get from the tax cut make a considerable difference to you, or only a small difference, or practically none?"

## TABLE D

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | June 1980 | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 | May 1982 | July 1982 | Aug. 1982 | Sept 1982 |
|---|---|---|---|---|---|---|---|---|---|---|
| Postponed Purchases:[a] | 15% | 30% | 37% | 33% | 33% | 33% | 31% | 30% | 36% | 35% |
| Vehicles | 5 | 11 | 15 | 12 | 10 | 12 | 12 | 12 | 13 | 14 |
| House, home repairs | 2 | 11 | 15 | 10 | 11 | 12 | 11 | 9 | 10 | 9 |
| Household durables | 7 | 8 | 8 | 10 | 10 | 8 | 7 | 9 | 11 | 9 |
| Other | 1 | 4 | 5 | 6 | 7 | 8 | 5 | 5 | 7 | 6 |
| Did not postpone purchase | 84 | 67 | 62 | 66 | 66 | 67 | 68 | 68 | 62 | 63 |
| Don't know, not ascertained | 1 | 3 | 1 | 1 | 1 | * | 1 | 2 | 2 | 2 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

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*Less than half of one percent.

[a] Items may add to more than total, due to multiple mentions.

See Table B for question wording.

## TABLE E

## INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

| | Oct. 1981 | Nov. 1981 | Jan. 1982 | Feb. 1982 | Apr. 1982 | May 1982 | July 1982 | Aug. 1982 | Sept 1982 | September 1982 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Vehicles | House, Real Estate | Household Durables |
| Postponed Purchases | | | | | | | | | | | | |
| All households | 30% | 37% | 33% | 33% | 33% | 31% | 30% | 36% | 35% | 14% | 9% | 9% |
| Interest rate that would have been charged on postponed purchase | | | | | | | | | | | | |
| Median | 17.3% | 17.6% | 17.5% | 17.8% | 17.5% | 17.5% | 17.7% | 17.5% | 17.6% | 17.8% | 16.9% | 17.8% |
| Highest interest willing to pay to make purchases | | | | | | | | | | | | |
| Median | 11.8% | 12.0% | 12.0% | 12.0% | 12.1% | 11.7% | 12.0% | 11.9% | 11.9% | 12.1% | 11.8% | 11.8% |
| Difference between interest rate charged and willing to pay | | | | | | | | | | | | |
| Median | 4.6% | 5.0% | 4.9% | 5.3% | 4.9% | 5.3% | 5.6% | 5.3% | 5.0% | 5.1% | 4.5% | 5.1% |

---

The questions asked were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October 1981 to September 1982: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

# APPENDIX

## REVISED ESTIMATES OF PRICE EXPECTATIONS

During the past several years price expectations have declined considerably, and by early 1982 one-in-three respondents expected prices to remain unchanged or decline during the year ahead. Although the questionnaire wording refers to changes in the level of prices, some respondents could misinterpret the question as referring to the rate of inflation. In this event, a "same" response would not indicate a zero rate of increase, but the perceived past rate of inflation. The net effect would be to bias downward the estimated overall mean rate of expected inflation. Because of the greatly increased frequency of "same" responses in recent months, the March through August 1982 surveys specifically probed respondents that initially gave "same" responses as to whether they meant the rate or the level of prices would remain the same. Of the 35 percent that initially reported "same" responses in September, 26 percent replied that they meant prices would remain at the same level, but 9 percent replied that they meant prices would increase at the same rate (see Table A1). Consequently, the estimated proportion of families in September that expected price increases rose from 58 to 67 percent following the use of this probe.

When respondents were probed for the percentage rate that they meant by the "same rate," the extent of bias in the estimated mean price increases due to the misinterpretation of "same" responses was +0.5 percentage points in the September 1982 survey (4.7% mean increase when initial "same" responses were coded as a zero rate of inflation versus 5.4% after the adjustment). The extent of the potential bias is dependent on the overall frequency of "same" responses. For example, in March 1979 only 3 percent reported that they expected prices to remain "the same," while the July 1982 survey recorded 30 percent "same" responses, a level exceeded in only one other survey between 1961 and 1981. Consequently, the bias in estimated means is unlikely to exceed 1.0 percentage points.

Preliminary adjustments to the surveys conducted prior to March 1982 were established as follows: the ratio of "same rate" to "same level" responses observed from March through September 1982 was used to estimate the proportion of "same rate" responses in earlier surveys. The estimated proportion of "same rate" responses were then reassigned from a zero rate of inflation to the mean percentage response among those that initially expected price increases. As shown in Table A2 the new estimated mean was only 0.1 percentage points higher in the March 1979 survey, but has averaged between 0.6 and 0.8 percentage points during the past year.

## TABLE A1

## NEW MEASURES OF PRICE EXPECTATIONS

| | Expected Price Changes During the Next Year | | | | | | |
|---|---|---|---|---|---|---|---|
| | March 1982 | April 1982 | May 1982 | June 1982 | July 1982 | August 1982 | Sept 1982 |
| Increase | 57% | 55% | 51% | 58% | 64% | 66% | 58% |
| Same rate | 9 | 9 | 10 | 10 | 11 | 9 | 9 |
| Same level | 22 | 22 | 27 | 23 | 19 | 19 | 26 |
| Go down | 10 | 11 | 9 | 7 | 4 | 5 | 6 |
| DK; NA | 2 | 3 | 3 | 2 | 2 | 1 | 1 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The questions were: "During the next 12 months do you think that prices in general will go up, or go down, or stay where they are now?" (IF SAME) "Do you mean that prices will go up at the same rate as now, or that prices in general will not go up during the next 12 months?" (IF UP/DOWN OR SAME RATE) "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

## TABLE A2

## EXPECTED PRICE CHANGES DURING THE NEXT YEAR

| Survey Dates | Old Series | New Preliminary Estimates | Difference |
|---|---|---|---|
| March 1979 | 9.7% | 9.8% | 0.1 |
| March 1980 | 12.0 | 12.4 | 0.4 |
| March 1981 | 7.0 | 7.5 | 0.5 |
| April 1981 | 8.1 | 8.8 | 0.7 |
| May 1981 | 7.6 | 8.2 | 0.6 |
| June 1981 | 6.6 | 7.3 | 0.6 |
| July 1981 | 6.7 | 7.4 | 0.7 |
| August 1981 | 6.5 | 7.1 | 0.6 |
| September 1981 | 7.5 | 8.3 | 0.8 |
| October 1981 | 7.2 | 7.9 | 0.7 |
| November 1981 | 7.7 | 8.4 | 0.7 |
| December 1981 | 5.6 | 6.3 | 0.7 |
| January 1982 | 5.4 | 6.2 | 0.8 |
| February 1982 | 5.3 | 6.1 | 0.8 |
| March 1982 | 5.3 | 6.0 | 0.7 |
| April 1982 | 4.7 | 5.4 | 0.7 |
| May 1982 | 4.3 | 5.0 | 0.7 |
| June 1982 | 5.1 | 5.9 | 0.8 |
| July 1982 | 5.3 | 6.0 | 0.7 |
| August 1982 | 5.9 | 6.4 | 0.5 |
| September 1982 | 4.7 | 5.4 | 0.7 |